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ABSTRACT

This document contains fiscal year 2004 budget recommendations for Illinois higher education operations, grants, and capital improvements. These recommendations have been developed with a focus on the programs and activities necessary to continue the implementation of "The Illinois Commitment" while being cognizant of the state's current funding outlook and economic environment. The recommendations call for the state to invest $2,665 million in general funds for higher education operations and grants in fiscal year 2004, an increase of $123.8 million, or 4.9% over the previous fiscal year. When all appropriated funds and income funds are included, the budget recommendation totals $3,824.2 million, an increase of $150.8 million, or 4.1% over the current fiscal year. The fiscal year 2004 recommendations for capital improvements total $341.8 million. Chapter 1 contains an executive summary, and chapter 2 discusses priorities in a challenging time. Chapters 3 through 8 outline the appropriations for operations and grants, and chapters 9 through 11 discuss capital improvements. An appendix contains related higher education data. (Contains 3 figures and 45 tables.) (SLD)

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ED 470 838

STATE OF ILLINOIS

BOARD OF HIGHER EDUCATION

FISCAL YEAR 2004 HIGHER EDUCATION BUDGET RECOMMENDATIONS

IMPLEMENTING

THE ILLINOIS COMMITMENT: PARTNERSHIPS, OPPORTUNITIES AND EXCELLENCE

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December 10, 2002

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I. EXECUTIVE SUMMARY

The fiscal year 2004 budget recommendations have been developed with a focus on the programs and activities necessary to continue implementation of the goals of *The Illinois Commitment*, while also being cognizant of the state's current funding outlook and economic environment. The recommendations call for the state to invest $2,665.0 million in general funds for higher education operations and grants in fiscal year 2004, an increase of $123.8 million, or 4.9 percent, over fiscal year 2003. When all appropriated funds and income funds are included, the budget recommendation totals $3,824.2 million, an increase of $150.8 million, or 4.1 percent, over the current fiscal year.

The recommended increase in general funds support includes additional resources for the following priority areas:

- $42.9 million to meet the statutorily required contributions for the State Universities Retirement System;
- $37.7 million to improve affordability through the Illinois Student Assistance Commission;
- $32.5 million for a two percent salary increase for faculty and staff at public universities, plus funds to recruit and retain high quality faculty and staff;
- $7.6 million for grants to community colleges;
- $1.8 million for the Illinois Mathematics and Science Academy;
- $1.3 million for adult education and postsecondary career and technical education programs;
- $1.3 million to address statewide initiatives for access and diversity; and
- $900,000 to address statewide initiatives for teaching, learning, and quality.

In addition, the budget recommendations include $94,600 for higher education agencies and a net reduction of $2.3 million in existing grant program resources that have been reallocated to help address high priority needs in workforce and economic development and other areas. The recommendations also will require reallocations at institutions and agencies to address unavoidable cost increases. The fiscal year 2004 budget recommendations for operations and grants are summarized on Tables I-1 through I-4.

The fiscal year 2004 recommendations for capital improvements total $341.8 million. This recommendation includes 31 Regular Capital projects, and includes $30.0 million for capital renewal projects at each public university and community college. The recommendations also support $50.0 million for the third year of a five-year $250 million Enhanced Construction Program for Illinois community colleges to replace existing temporary buildings or to provide modifications to temporary buildings to make them permanent structures. The recommendations are summarized on Table I-5. The recommendations place high priority on projects designed to protect the state's investment in higher education facilities. Projects recommended for funding in fiscal year 2004 are listed in priority order on Table I-6.

Chapter II discusses the fiscal year 2004 recommendations in the context of the goals and priorities of *The Illinois Commitment* and the challenges faced by the state and its system of higher education. Chapters III through VIII include detailed information on the operations and grants budget recommendations for each institution and agency, and Chapters IX through XI provide descriptions of each of the projects in the capital budget recommendations.

The staff recommends adoption of the following resolution.

The Illinois Board of Higher Education hereby approves the fiscal year 2004 budget recommendations for higher education operations and grants and capital improvements in the amounts and for the purposes outlined in this document.

Table I - 1

FY2004 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS
GENERAL FUNDS

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Universities	$ 1,411,720.3	$ 1,572,730.5	$ 1,444,226.1	$ 32,505.8	2.3 %
Community Colleges	319,852.2	341,774.4	327,420.3	7,568.1	2.4
Adult Education/Post-Secondary Career and Technical Education	44,283.0 *	49,497.6	45,584.4	1,301.4	2.9
Illinois Student Assistance Commission	382,782.0	478,774.6	420,519.2	37,737.2	9.9
Access and Diversity	54,724.0	63,875.0	56,002.7	1,278.7	2.3
Workforce and Economic Development	39,077.0	42,665.0	36,827.0	(2,250.0)	(5.8)
Teaching, Learning, and Quality	-	9,800.0	900.0	900.0	-
Illinois Mathematics and Science Academy	13,459.2	15,832.6	15,262.8	1,803.6	13.4
State Universities Civil Service System	1,392.9	1,605.8	1,420.5	27.6	2.0
Board of Higher Education	3,167.3	3,279.0	3,234.3	67.0	2.1
Total Institutional Operations and Grants	2,270,457.9	2,579,834.5	2,351,397.3	80,939.4	3.6
State Universities Retirement System	255,946.3	304,431.1	298,841.1	42,894.8	16.8
Transfer to Health Insurance Reserve Fund	14,753.8	14,753.8	14,753.8	-	-
Total	$ 2,541,158.0	$ 2,899,019.4	$ 2,664,992.2	$ 123,834.2	4.9 %
Source of Appropriated Funds					
General Funds	$ 2,541,158.0	$ 2,899,019.4	$ 2,664,992.2	$ 123,834.2	4.9 %
General Revenue Fund	2,189,104.6	2,546,966.0	2,312,938.8	123,834.2	5.7
Education Assistance Fund	352,053.4	352,053.4	352,053.4	-	-

* Includes $10,039.5 in general funds appropriated to the Illinois State Board of Education for post-secondary career and technical education.

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Table I - 2

FY2004 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS
ALL APPROPRIATED FUNDS AND INCOME FUNDS

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Universities	$ 2,107,501.8	$ 2,310,113.4	$ 2,181,826.1	$ 74,324.3	3.5 %
Community Colleges	348,897.2	371,184.4	356,830.3	7,933.1	2.3
Adult Education/Post-Secondary Career and Technical Education	87,449.0 *	95,614.9	91,701.7	4,252.7	4.9
Illinois Student Assistance Commission	391,894.0	484,804.6	426,549.2	34,655.2	8.8
Access and Diversity	54,724.0	63,875.0	56,002.7	1,278.7	2.3
Workforce and Economic Development	43,577.0	47,165.0	41,327.0	(2,250.0)	(5.2)
Teaching, Learning, and Quality	4,700.0	14,500.0	5,600.0	900.0	19.1
Illinois Mathematics and Science Academy	15,509.2	17,882.6	17,312.8	1,803.6	11.6
State Universities Civil Service System	1,392.9	1,605.8	1,420.5	27.6	2.0
Board of Higher Education	13,277.3	13,389.0	13,344.3	67.0	0.5
Total Institutional Operations and Grants	3,068,922.4	3,420,134.7	3,191,914.6	122,992.2	4.0
State Universities Retirement System	272,606.3	321,091.1	314,841.1	42,234.8	15.5
Transfer to Health Insurance Reserve Fund	14,753.8	14,753.8	14,753.8	-	-
Loan Program Administration and Loan Requirements	317,156.6	302,732.3	302,732.3	(14,424.3)	(4.5)
Total	$ 3,673,439.1	$ 4,058,711.9	$ 3,824,241.8	$ 150,802.7	4.1 %
Source of Appropriated Funds					
General Funds	$ 2,541,158.0	$ 2,899,019.4	$ 2,664,992.2	$ 123,834.2	4.9 %
General Revenue Funds	2,189,104.6	2,546,966.0	2,312,938.8	123,834.2	5.7
Education Assistance Fund	352,053.4	352,053.4	352,053.4	-	-
Student Loan Fund	317,156.6	302,732.3	302,732.3	(14,424.3)	(4.5)
Other Funds	123,033.9	123,268.2	122,825.3	(208.6)	(0.2)
Source of Non-Appropriated Funds					
University Income Funds **	$ 692,090.6	$ 733,692.0	$ 733,692.0	$ 41,601.4	6.0 %

* Includes $10,039.5 in general funds appropriated to the Illinois State Board of Education for post-secondary career and technical education.

** University income funds are non-appropriated funds collected, held, and allocated locally by each university, and reported to the Governor and General Assembly by the Board of Higher Education. They are derived primarily from tuition and fees.

Table I - 3

FY2004 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS
SOURCES OF FUNDS

(in thousands of dollars)

	General Revenue Fund	Education Assistance Fund	University Income Funds *	Student Loan Funds	Other Appropriated Funds	Total
Universities	$ 1,263,231.8	$ 180,994.3	$ 733,692.0	-	$ 3,908.0	$ 2,181,826.1
Community Colleges	286,753.2	40,667.1	-	-	29,410.0	356,830.3
Adult Education/Post-Secondary Career and Technical Education	45,584.4	-	-	-	46,117.3	91,701.7
Illinois Student Assistance Commission	318,150.9	102,368.3	-	-	6,030.0	426,549.2
Access and Diversity	32,979.9	23,022.8	-	-	-	56,002.7
Workforce and Economic Development	33,793.2	3,033.8	-	-	4,500.0	41,327.0
Teaching, Learning, and Quality	900.0	-	-	-	4,700.0	5,600.0
Illinois Mathematics and Science Academy	13,900.1	1,362.7	-	-	2,050.0	17,312.8
State Universities Civil Service System	1,238.2	182.3	-	-	-	1,420.5
Board of Higher Education	2,812.2	422.1	-	-	10,110.0	13,344.3
Total Institutional Operations and Grants	1,999,343.9	352,053.4	733,692.0	-	106,825.3	3,191,914.6
State Universities Retirement System	298,841.1	-	-	-	16,000.0	314,841.1
Transfer to Health Insurance Reserve Fund	14,753.8	-	-	-	-	14,753.8
Loan Program Administration and Loan Reimbursements	-	-	-	$ 302,732.3	-	302,732.3
Total	$ 2,312,938.8	$ 352,053.4	$ 733,692.0	$ 302,732.3	$ 122,825.3	$ 3,824,241.8

* University income funds are non-appropriated funds collected, held, and allocated locally by each university and reported to the Governor and General Assembly by the Board of Higher Education. They are derived primarily from tuition and fees.

Table I - 4

FY2004 RECOMMENDATIONS
HIGHER EDUCATION OPERATIONS AND GRANTS
OTHER FUND SOURCES

(in thousands of dollars)

	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations
Fire Prevention Fund	$ 1,190.9	$ 1,190.9	$ 1,408.0
Presidential Museum/Library Operating Fund	1,500.0	1,500.0	1,500.0
Tobacco Settlement Recovery Fund	5,500.0	5,500.0	5,500.0
Federal State Student Incentive Trust Fund	3,700.0	3,700.0	3,700.0
ISAC Federal Student Assistance Scholarship Fund	1,800.0	1,800.0	1,800.0
ISAC Contracts and Grants Fund	-	50.0	50.0
Monetary Award Program (MAP) Reserve Fund	3,177.0	-	-
HELP Fund (ISAC)	70.0	70.0	70.0
Higher EdNet Fund	65.0	10.0	10.0
Optometric Education Scholarship Fund (ISAC)	-	50.0	50.0
IL Future Teachers Corps Scholarship Fund (ISAC)	-	50.0	50.0
ISAC Accounts Receivable Fund	300.0	300.0	300.0
IBHE Federal Grants Fund	14,810.0	14,810.0	14,810.0
Illinois Mathematics and Science Academy Income Fund	2,050.0	2,050.0	2,050.0
ICCB Adult Education Fund	28,116.0	31,497.3	31,497.3
ICCB Video Conferencing Fund	10.0	10.0	10.0
ICCB Contracts and Grants Fund	25,000.0	25,000.0	25,000.0
ICCB AFDC/Opportunities Fund	910.0	890.0	890.0
ICCB Career and Technical Education Fund	18,175.0	18,130.0	18,130.0
State Pensions Fund	16,660.0	16,660.0	16,000.0
Total	$ 123,033.9	$ 123,268.2	$ 122,825.3

Table I-5

SUMMARY OF HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS REQUESTS AND RECOMMENDATIONS FOR FISCAL YEAR 2004*

(in thousands of dollars)

System/Institution	Amount Requested	Amount Recommended		
		Regular Capital	Capital Renewal	Total
Public Universities	$ 700,791.9	$ 156,191.3	$ 20,892.5	$ 177,083.8
Chicago State University	22,104.0	6,000.0	483.1	6,483.1
Eastern Illinois University	53,171.5	7,259.2	773.3	8,032.5
Governors State University	2,972.9	1,902.9	284.6	2,187.5
Illinois State University	148,962.0	22,145.0	1,532.0	23,677.0
Northeastern Illinois University	60,968.4	2,697.6	575.5	3,273.1
Northern Illinois University	104,531.4	16,903.0	1,738.5	18,641.5
Western Illinois University	78,645.0	22,500.0	1,188.3	23,688.3
Southern Illinois University	60,136.5	8,783.6	3,582.2	12,365.8
Carbondale	38,738.2	7,018.2	2,437.5	9,455.7
Edwardsville	21,398.3	1,765.4	1,144.7	2,910.1
University of Illinois	169,300.2	68,000.0	10,735.0	78,735.0
Chicago	45,125.0	16,000.0	4,165.9	20,165.9
Springfield	3,863.0	-	343.7	343.7
Urbana-Champaign	120,312.2	52,000.0	6,225.4	58,225.4
Illinois Community Colleges (State Funds Only)	510,161.8	152,590.3	9,107.5	161,697.8
Capital Renewal Grants	12,000.0	-	9,107.5	9,107.5
Statewide Enhanced Construction Program	50,000.0	-	-	-
Black Hawk College	1,342.0	-	-	-
Carl Sandburg College	442.8	-	-	-
City Colleges of Chicago	58,928.0	-	-	-
College of DuPage	2,987.6	1,203.4	-	1,203.4
College of Lake County	49,306.0	32,248.5	-	32,248.5
Danville Area Community College	4,353.2	-	-	-
Elgin Community College	12,388.1	1,710.0	-	1,710.0
Heartland Community College	12,279.4	12,279.4	-	12,279.4
Illinois Eastern Community Colleges	13,333.3	-	-	-
Illinois Valley Community College	17,787.1	11,761.1	-	11,761.1
Joliet Junior College	35,554.3	3,255.0	-	3,255.0
Lake Land College	13,808.1	10,802.1	-	10,802.1
Lewis and Clark Community College	6,062.5	-	-	-
Lincoln Land Community College	2,687.1	-	-	-
McHenry County College	9,134.0	-	-	-
Moraine Valley Community College	30,087.3	-	-	-
Morton College	4,518.1	-	-	-
Oakton Community College	18,716.6	-	-	-
Parkland College	20,127.3	11,214.1	-	11,214.1
Rend Lake College	5,925.5	344.9	-	344.9
Richland Community College	12,286.0	-	-	-
Rock Valley College	15,233.9	15,233.9	-	15,233.9
Sauk Valley Community College	1,835.6	-	-	-
Shawnee Community College	894.0	-	-	-
South Suburban College of Cook County	4,478.3	-	-	-
Southeastern Illinois College	935.4	-	-	-
Southwestern Illinois College	9,685.2	-	-	-
Spoon River College	3,353.3	-	-	-
Triton College	15,806.1	7,906.1	-	7,906.1
Waubonsee Community College	19,253.9	-	-	-
William Rainey Harper College	44,631.8	44,631.8	-	44,631.8
Illinois Mathematics and Science Academy	3,000.0	3,000.0	-	3,000.0
Grand Total	$ 1,213,953.7	$ 311,781.6	$ 30,000.0 **	$ 341,781.6

* Recommendations do not include funds for the Enhanced Construction Program for community colleges which the Board supports.

** Recommendation includes $10,000.0 Build Illinois Bond Funds for Capital Renewal.

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TABLE I-6

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS

(in thousands of dollars)

Priority Number	Institution	Project	Budget Category	Recommendation*	Cumulative Total
1	Statewide	Capital Renewal (includes $10,000.0 Build Illinois Bond Funds)	Remodeling	$ 30,000.0	$ 30,000.0
2	Chicago State University	Primary Electrical Feeder Cable	Utilities	1,000.0	31,000.0
3	Eastern Illinois University	Electrical Distribution System Upgrade	Utilities	4,217.1	35,217.1
4	Eastern Illinois University	Fine Arts Center Renovation and Expansion	Equipment	1,500.0	36,717.1
5	Chicago State University	Convocation Center	Equipment	5,000.0	41,717.1
6	Southern Illinois University Edwardsville	Science Laboratory Building Renovation and Expansion	Planning	1,765.4	43,482.5
7	University of Illinois at Urbana-Champaign	Lincoln Hall Remodeling	Remodeling	52,000.0	95,482.5
8	Southern Illinois University Carbondale	Morris Library Renovation and Addition	Equipment	2,121.8	97,604.3
9	Triton College	Technology Building Rehabilitation	Remodeling	7,906.1	105,510.4
10	Joliet Junior College	Utilities Renovation	Utilities	3,255.0	108,765.4
11	Illinois State University	Life Safety Improvements - Stevenson and Turner Halls	Remodeling	22,145.0	130,910.4
12	Southern Illinois University Carbondale	Communications Building Renovation and Addition	Remodeling	4,896.4	135,806.8
13	Rock Valley College	Arts Instructional Center	Buildings	15,233.9	151,040.7
14	Western Illinois University	Performing Arts Center	Buildings	22,500.0	173,540.7
15	Northern Illinois University	Stevens Building Renovation and Addition	Planning	1,485.6	175,026.3
16	Elgin Community College	Spartan Drive Extension	Site Improvements	1,710.0	176,736.3
17	Parkland College	Student Services Center	Buildings	11,214.1	187,950.4
18	William Rainey Harper College	Engineering and Technology Center Renovations	Remodeling	14,750.7	202,701.1
19	Rend Lake College	Art Program Addition	Buildings	344.9	203,046.0
20	Lake Land College	Rural Development Technology Center	Buildings	5,430.7	208,476.7
21	University of Illinois at Chicago	Roof and Window Replacement and Masonry Repairs	Remodeling	16,000.0	224,476.7
22	Eastern Illinois University	Chilled Water Loop Extension	Utilities	1,542.1	226,018.8
23	College of DuPage	Instructional Center Noise Abatement	Remodeling	1,203.4	227,222.2
24	William Rainey Harper College	One Stop/Admissions and Student Life Center	Buildings	29,881.1	257,103.3
25	Northern Illinois University	Stevens Building Renovation and Addition	Remodeling	15,417.4	272,520.7
26	Northeastern Illinois University	Education Building	Planning	2,697.6	275,218.3

TABLE I-6

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS

(in thousands of dollars)

Priority Number	Institution	Project	Budget Category	Recommendation*	Cumulative Total
27	Governors State University	Campus Roadway and Sidewalk Renovation	Site Improvements	$ 1,902.9	$ 277,121.2
28	Illinois Valley Community College	Community Instructional Center	Buildings	11,761.1	288,882.3
29	Lake Land College	Center for Technical Education	Buildings	5,371.4	294,253.7
30	Illinois Mathematics and Science Academy	"A" Wing Laboratories Remodeling	Remodeling	3,000.0	297,253.7
31	College of Lake County	Student Services Building	Buildings	32,248.5	329,502.2
32	Heartland Community College	Workforce Development Center	Buildings	12,279.4	341,781.6
	TOTAL			$ 341,781.6	

* IBHE Recommendation does not include funds for the Enhanced Construction Program for community colleges which the Board supports.

II. RETAINING COMPETITIVENESS AND ADDRESSING HIGH PRIORITIES IN A CHALLENGING TIME

Illinois has one of the largest and most diverse systems of higher education in the nation, ranking fourth among all states in total enrollment and sixth in total degrees awarded. Perhaps more important is Illinois' continued status as one of the most elite higher education systems in the United States. In October 2002, the National Center for Public Policy and Higher Education released its second national higher education report card, *Measuring Up 2002*, which grades states in five categories of key higher education indicators of performance, including preparation for college, participation, affordability, degree completion, and benefits.[1] The report card ranks Illinois third among all state systems of higher education in the nation. This honor is a testament not just to the efforts made within Illinois' system of higher education, but also to the strong support provided by the state's citizens and political leaders over time.

Illinois received an A and four B's in this year's report card, ranking third in the nation behind Massachusetts and Connecticut. This is a slight decline from the first such report card, issued two years ago, when Illinois was ranked first in the nation. As indicated in Table II-1 below, Illinois actually improved in the area of Completion between the 2000 and 2002 assessments; however, the state slipped in two areas as well (Affordability and Preparation).

Table II-1
Illinois' Performance in the 2000 and 2002 National Higher Education Report Cards

Performance Area	*Measuring Up 2000*	*Measuring Up 2002*
Affordability	A	B
Preparation	A	B+
Participation	A	A
Completion	C+	B-
Benefits	B-	B-
Illinois' Overall Rank	1st	3rd

Source: National Center for Public Policy and Higher Education.

Illinois actually improved in almost all of the criteria used to grade the area of Affordability between the two years, and continued to be first in the nation in one affordability criterion (state financial aid targeted to low-income students). However, as with other report card areas, other states improved even more or at least kept pace with Illinois' efforts. This underscores the risk of "resting on your laurels" and also the critical importance of continuing to make progress even when at the top. Of concern is the fact that due to a time lag in data availability, *Measuring Up 2002* did not reflect the current fiscal difficulties faced by the state, although the next report card in 2004 will. While other states are clearly facing similar budget problems and it is too early to predict how Illinois' system of higher education will fare in 2004, progress must continue to be made in high priority areas, weaknesses must be addressed, and strengths must be maintained. This is a challenge – and an opportunity – that must be undertaken through the traditionally strong partnership among Illinois higher education, the Governor, the General Assembly, and the citizens of the state.

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[1] The full 2002 report card can be found on the National Center's web site, www.highereducation.org.

Higher Education's Contributions to the Economy and Society at Large

The importance of this continued strong partnership goes well beyond results on a national higher education report card. The five areas graded in *Measuring Up* are only indicators of the direct relationship between a strong system of higher education and a strong socio-economic foundation for Illinois and the nation as a whole. This relationship is the result of various interrelated factors[2]:

- ***The economic and non-economic benefits of higher education for individuals.*** The economic benefits of higher education for individuals are well-documented – in short, the more education an individual has, the more he or she earns. The 2000 University of Illinois' Institute for Government Public Affairs (IGPA) study found that the average lifetime value of additional earnings across all degree levels for an Illinois college graduate versus someone with only a high school diploma is $216,000, with individuals earning bachelor's degrees and professional degrees respectively earning $591,000 and $1.2 million more over the course of their careers. More recently, the Illinois Community College System, Illinois Community College Board, and Illinois Community College Trustees Association released a socio-economic impact study related to Illinois community colleges indicating that an Illinois community college graduate will earn an additional $345,300 over his or her lifetime versus an individual with a high school diploma or GED. In turn, these individuals have more resources to commit to the economy at large.

  The value of higher education for an individual extends well beyond the monetary benefits noted above. Research has shown that college-educated individuals are more productive, healthier, less likely to commit violent crimes, and more civic-minded than those who do not have a college education. All of these factors contribute to a better society for all. In turn, children of college graduates are more likely to attend college, further perpetuating these positive impacts into the future.

- ***The contributions of higher education to economic growth and overall quality of life.*** Higher education contributes to continued economic growth and societal improvements in at least three ways. First, the generation of new knowledge and discoveries at colleges and universities oftentimes leads to innovations that increase productivity and bring new products to the marketplace. Many of these innovations also contribute to a higher quality of life for everyone through improvements in such areas as health care, technology, and agriculture. Second, the labor force becomes more productive as it becomes more highly educated. It is no coincidence that the significant growth and success of the United States within the global economy since World War II has occurred in tandem with significant increases in higher education participation and public investment in higher education.

  Colleges and universities also have a significant economic impact on local communities, states, and the nation as a whole through direct institutional expenditures and employment, as well as the expenditures of students and visitors. In turn, these direct expenditures create a "ripple effect" throughout the economy resulting in further indirect economic activity. Table II-2 summarizes the total estimated impact of Illinois higher education on the Illinois economy in fiscal year 2002 based on the findings of the 2000 IGPA study. As indicated, it is estimated that combined spending by Illinois colleges and universities, students, and visitors resulted in an estimated $47.7 billion in economic activity and generated over 580,000 jobs.

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[2] The information presented in this section comes primarily from *Illinois Higher Education: Building the Economy, Shaping Society*, University of Illinois Institute of Government and Public Affairs (IGPA) , 2000.

Table II-2
Estimated Impact of Illinois Higher Education on the Illinois Economy

Measure	Impact
Direct and Indirect Expenditures Generated in Illinois by Illinois Colleges and Universities	$31.0 billion[a]
Direct and Indirect Employment Generated in Illinois by Illinois Colleges and Universities	351,400 jobs
Direct and Indirect Spending Generated by Illinois Students and Visitors	$16.7 billion[a]
Direct and Indirect Employment Generated in Illinois by Illinois Students and Visitors	233,700 jobs

[a] Fiscal year 1999 estimates in fiscal year 2002 dollars.

- ***The contributions of higher education through outreach, public service, and cultural activities.*** Finally, higher education contributes to a solid economic and social foundation through the many services and activities made available to citizens, government, and businesses. Colleges and universities traditionally have had a common commitment to serve the public, the state, and the individual communities where the institutions are located. In addition to making their facilities and resources available to Illinois citizens for educational, cultural, and athletic activities and events, Illinois colleges and universities have developed hundreds of outreach and public service activities that serve schools, businesses, agricultural enterprises, government agencies, and individuals throughout the state. Together, these activities enhance the quality of life for all Illinoisans.

In short, Illinois' system of higher education makes several positive contributions to the quality of life for individuals and the state as a whole.

Higher Education Funding Retrospective and Outlook for Fiscal Year 2004

Illinois higher education has received solid funding support from the Governor and General Assembly in recent years. Table II-3 shows the average annual increase in state general funds support for higher education operations and grants between fiscal years 1993 and 2003. As indicated, the average annual increase between fiscal year 1993 and 2002 was $99.7 million, or 4.9 percent. When examining fiscal years 1998 to 2002 only, the average annual increase jumps to $136.6 million, or 6.2 percent (excluding the $25 million reserve required of higher education in fiscal year 2002). However, in fiscal year 2003, state funding declined by $147.1 million, or 5.5 percent. Further, in fiscal years 2002 and 2003, public universities also were required to set aside general funds resources ($45 million) for a portion of the cost of the group health insurance program for state employees, something no other state agency was required to do. Table II-4 illustrates the support received by higher education for capital improvements during the past several years.

Table II-3
General Funds Appropriations for Higher Education Operations and Grants Fiscal Year 1993 Through Fiscal Year 2003
(dollars in thousands)

Fiscal Year	$ Change from Previous Year	% Change from Previous Year
1993	($49,311.2)	(3.0)
1994	53,195.0	3.3
1995	103,340.8	6.3
1996	93,585.9	5.4
1997	113,242.2	6.1
1998	117,998.6	6.0
1999	148,384.6	7.2
2000	127,134.3	5.7
2001	132,565.0	5.6
2002	157,000.0	6.3
2002*	132,000.0	5.3
2003	(147,057.1)	(5.5)
Average Annual Increase		
1993 to 2002	$99,713.5	4.9
1998 to 2002	136,616.5	6.2
2002 to 2003	(147,057.1)	(5.5)

* Spending authority was $25 million less than original FY 2002 appropriation.

Table II-4
Appropriations for Higher Education Capital Improvements Fiscal Year 1993 Through Fiscal Year 2003
(dollars in thousands)

Fiscal Year	Appropriations
1993	$58,679.3
1994	142,691.3
1995	146,845.0
1996	50.0
1997	158,952.9
1998	148,143.3
1999	154,750.1
2000	318,306.4
2001	218,074.7
2002	412,372.9
2003	338,341.4

While strong funding support over time has helped contribute to Illinois' success relative to other state systems of higher education, Illinois' financial support for higher education is certainly not excessive relative to other states. Table II-5 presents comparative national data on state higher education appropriations for fiscal years 1993 and 2002. This table presents comparative measures of state higher education appropriations per capita and per $1,000 personal income for both Illinois and the national average in those two years. These two commonly used measures enable comparisons to be made among states on the relative funding effort for higher education by controlling for differences in population and reflecting the relative wealth or economic capacity of a state. As noted, Illinois improved relative to other states on both measures during this period, but remained far from the upper tier. Another way to view these data is that Illinois' system of higher education (and its success) has been a particularly cost-effective investment for the citizens of this state over time.

Table II-5
State Appropriations for Higher Education Operating Expenses Per Capita and Per $1,000 Personal Income: Illinois and the National Average
Fiscal Years 1993 and 2002

	FY 1993		FY 2002		Change: FY 1993 to 2002		
Indicator	**Amount ($)**	**Rank Among States**	**Amount ($)**	**Rank Among States**	**$**	**%**	**Rank**
State Appropriations for Higher Education Operating Expenses Per Capita							
Illinois	**148.91**	**36**	**234.15**	**22**	**85.24**	**57.2**	**14**
National Average	156.64	--	225.52	--	68.88	44.0	--
State Appropriations for Higher Education Operating Expenses Per $1,000 Personal Income							
Illinois	**7.18**	**39**	**7.06**	**32**	**(0.12)**	**(1.7)**	**7**
National Average	8.21	--	7.50	--	(0.71)	(8.6)	--

Source: Grapevine, Center for Higher Education, Illinois State University.

Fiscal year 2003 represented a significant departure from the recent positive trends in state general funds support for Illinois higher education due to escalating fiscal difficulties experienced by the state throughout fiscal year 2002. Year-end revenues were lower than the previous year for the first time in nearly 50 years. In total, state revenues fell over $1.6 billion short of what was assumed would be available when the fiscal year 2002 budget was approved by the Governor and General Assembly.

As a result, the state budget for fiscal year 2003 includes a total of $2.5 billion in state general funds for higher education operations and grants – $147.1 million, or 5.5 percent, less than appropriated in fiscal year 2002. To provide the additional funding of $20.9 million necessary to meet the statutory requirement for the State Universities Retirement System, funds were reallocated from other areas of the higher education budget, leaving institutional operations and grants with $167.9 million, or 6.9 percent, less than in fiscal year 2002. Further, from the amount appropriated to the public universities, $45 million will continue to support the state employees' group health insurance program as in fiscal year 2002. A summary of these actions by sector is presented in Table II-6.

The impact of these reductions on institutions, faculty, staff, and students has been significant, particularly given that enrollment is up across all sectors of higher education by an overall average of 4.4 percent in fall 2002. For example, public universities, which have seen a 2.6 percent increase in enrollment this fall, reported eliminating more than 1,300 full-time positions in fiscal year 2003 through either attrition or actual layoffs. In an effort to minimize the direct impact on student academic programs in this time of increasing demand, the universities took the vast majority of these reductions (75 percent) in non-instructional faculty positions. Likewise, community colleges (which have seen a 4.6 percent increase in enrollment during fall 2002) report a significant reduction in services for at-risk students and adult learners that were previously funded through the Special Populations grant and Adult Education. Many community colleges have redirected general operating funds in an attempt to restore some of these services and programs and to minimize the impact on students, but only partial progress has been achieved. The disproportionate reduction imposed on the Illinois Mathematics and Science Academy (-18.6 percent) was directed to the Academy's personal services line, resulting in the elimination of 25 full-time positions and two-day furloughs for remaining state-funded staff. Finally, all higher education institutions and agencies faced unavoidable increases in certain operating costs this year for items such as utilities and general commodities costs, salary and wage increases related to collective bargaining agreements, and operations and maintenance costs for new facilities, all of which will require further internal reallocations.

The vast majority of the reductions to Illinois Student Assistance Commission (ISAC) funding was due to a $38.0 million cut in funding for the Monetary Award Program (MAP), which also included elimination of funding for fifth-year grants. This is the first reduction in MAP funding since fiscal year 1980. As a result of this reduction to program funding, awards will be made to approximately 128,000 students in fiscal year 2003, in comparison with 140,000 in fiscal year 2002. Of the more than 12,000 students who will lose MAP funding, approximately 7,500 are due to elimination of fifth-year grants. In addition, the awards will be reduced to fiscal year 2001 levels and will not cover fiscal year 2003 tuition and fee increases.

The outlook for the remainder of fiscal year 2003 is uncertain at best. In early November, Governor Ryan notified state agencies of the need to create a $250 million budget reserve due to a further anticipated drop in state general funds revenues this year. Education was exempted from this exercise. Also in November, the Illinois Economic and Fiscal Commission (IEFC) released a revised fiscal year 2003 general funds forecast that was $385 million, or 48 percent, lower than the IEFC's original forecast in July 2002. It is unclear what other budgetary actions may be taken by the Governor and General Assembly this year if revenues continue to decline.

Equally uncertain is the outlook for fiscal year 2004. The report, *Preliminary Review of Fiscal Year 2004 Budget Issues: Higher Education Operations and Grants* (August 2002) outlined several competing priorities and issues impacting the overall state budget for fiscal year 2004 as well as those within the higher education budget specifically. While it is too early to say with certainty what state revenues will be in the coming year, preliminary forecasts by various groups including the University of Illinois' Institute for Government and Public Affairs (IGPA) and IEFC are projecting modest general funds revenue growth. The demands on these revenues will greatly exceed what is available to spend.

Table II-6
State General Fund Appropriations for Higher Education Operations and Grants
Fiscal Years 2002 and 2003
(dollars in thousands)

Sector	FY 2002 Appropriation	FY 2002 Spending Authority	FY 2003 Appropriation	Increase over FY 2002	Percent Increase over FY 2002
Public Universities	$1,502,910.9	$1,485,804.8	$1,411,720.3	($91,190.6)	(6.1)
Community Colleges	333,659.9	329,663.9	319,852.2	(13,807.7)	(4.1)
Adult Education	39,005.3	38,755.3	34,243.5	(4,761.8)	(12.2)
Illinois Student Assistance Commission	423,752.3	421,902.3	382,782.0	(40,970.3)	(9.7)
Grant Programs*	107,756.0	95,699.8	93,801.0	(13,955.0)	(13.0)
Illinois Mathematics and Science Academy	16,526.7	16,338.7	13,459.2	(3,067.5)	(18.6)
State Universities Civil Service System	1,441.2	1,424.8	1,392.9	(48.3)	(3.4)
Board of Higher Education	3,277.2	3,239.9	3,167.3	(109.9)	(3.4)
Total Institutional Operations and Grants	2,428,329.5	2,392,829.5	2,260,418.4	(167,911.1)	(6.9)
State Universities Retirement System	235,092.3	235,092.3	255,946.3	20,854.0	8.9
Transfer to Health Insurance Reserve Fund **	14,753.8	14,753.8	14,753.8	-	-
Total Operations and Grants	$2,678,175.6	$2,642,675.6	$2,531,118.5	($147,057.1)	(5.5)

* Includes Access and Diversity, Workforce and Economic Development, and Teaching, Learning, and Quality grants.

** In addition, $45 million will be contributed to state group health insurance from funds directly appropriated to public universities.

The Illinois Commitment: Progress and Future Challenges

The Illinois Commitment: Partnerships, Opportunities, and Excellence sets forth the agenda and goals for Illinois higher education for the first decade of the 21st century. The document, informed by surveys of employers, opinion leaders, citizens, and students, articulates what constituent groups want and expect of Illinois colleges and universities. Since its endorsement nearly four years ago, *The Illinois Commitment* has served as a framework for improving quality and public accountability and has guided Illinois higher education institutions and agencies in focusing resources on the highest priorities across six main goals:

- *Higher education will help Illinois business and industry sustain strong economic growth.*
- *Higher education will join elementary and secondary schools to improve teaching and learning at all levels.*
- *No Illinois citizen will be denied an opportunity for a college education because of financial need.*
- *Illinois will increase the number and diversity of citizens completing training and education programs.*
- *All Illinois colleges and universities will hold students to even higher expectations for learning and will be accountable for the quality of academic programs and the assessment of learning.*
- *Illinois colleges and universities will continually improve productivity, cost-effectiveness, and accountability.*

The fourth annual *Statewide Results Report* (December 2002) documents the approaches Illinois higher education institutions and agencies have taken to make progress toward the six statewide goals of *The Illinois Commitment*. The report also acknowledges that Illinois higher education will face a series of challenges in the future. For example, institutions will need to respond to increasing demands from students, workers, and employers during this time of economic uncertainty, and they will need to continue to work with K-12 schools to ensure that all teachers – those graduating from teacher-training programs and those now in classrooms – are equipped to teach to the Illinois Learning Standards that are tested on the Prairie State Achievement Examination. Additional efforts will be needed to ensure that a college education remains affordable; college completion rates increase; and quality, productivity, and accountability are enhanced.

Helping Business and Industry Sustain Strong Growth. As noted earlier, a strong system of higher education contributes to a strong economy in many ways, ranging from the preparation of a highly educated workforce to the innovations provided through university research and development activities. During fiscal year 2001, for example, Illinois colleges and universities graduated approximately 26,000 students with associate degrees, 56,000 with baccalaureate degrees, 27,600 with master's degrees, and 2,700 with doctoral degrees—an increase of some 5,000 degrees over fiscal year 2000. These graduates provide a ready source of new employees for Illinois business and industry.

Faculties at higher education institutions share a wealth of knowledge with business and industry both directly and indirectly. The number of National Science Foundation-funded research efforts at Illinois institutions of higher education exceeds those in other midwestern states. Further, the results of research provide entrepreneurs with new products for commercialization, and some of the funds derived from such endeavors flow back to higher education through patents, licenses, and registrations. Illinois' 11 research universities hold a combined total of 1,350 patents, over 38 percent of which were granted in the past five calendar years (1997 through 2001). These same institutions hold approximately 900 licenses or registrations, more than half of which were completed during this same period. These universities report that these patents, licenses, and registrations produced in excess of $67 million. Finally, Illinois universities house 63 enterprises in their research parks, and the creation of 105 companies can be credited to Illinois research institutions and their faculties during this same five-year period.

An ongoing challenge for Illinois colleges and universities will be to meet the growing needs of Illinois business and industry for a highly skilled and educated workforce. The Illinois Department of Employment Security (IDES) projects that the 13.8 percent growth in "white collar" or professional positions in Illinois will exceed most other types of jobs through 2008, driven largely by the need for individuals in technological fields (e.g., information systems, engineering).[3] Individuals entering these positions will require high levels of education and training to meet the needs of business and industry. As such, these individuals will need timely access to the necessary academic and technical education programs at colleges and universities.

Joining Elementary and Secondary Education to Improve Education at All Levels. The Illinois Board of Higher Education, the Illinois Community College Board (ICCB), and the Illinois State Board of Education (ISBE) have a strong track record of working together through the Joint Education Committee to address the critical P-16 education issues facing Illinois and other initiatives. Foremost among these issues are raising K-12 student achievement for all children, enhancing the college readiness of Illinois high school graduates, and addressing teacher quality, supply, and professional development concerns. The latter issue is of particular significance given the passage of the federal "No Child Left Behind Act" (NCLB) in January 2002. The Act requires that, by the 2002-03 school year, any new teachers working in programs receiving federal Title I funding meet certain rigorous educational and certification standards spelled out in the law. Further, by the end of the 2005-06 school year, all teachers and paraprofessionals working in such programs must meet these standards as well.

The Board, ICCB, and ISBE are aligning their efforts to meet the NCLB requirements for teacher preparation and certification. These agencies and two- and four-year institutions across Illinois are collaborating on several fronts to develop a seamless, standards-based system of teacher and paraprofessional preparation, to increase the role of community colleges, and to improve retention and professional development efforts. This is a significant challenge in that nearly half of teacher education graduates each year never teach in the state's public schools and of those who do, about 30 percent leave within the first three years due to low salaries, negative school environment, and/or lack of support. In addition, students in high poverty schools who need the most help are the most likely to have teachers who are under-prepared or teaching outside of their area of specialty.

The Board also continues to support legislation that would strengthen Illinois' high school core curriculum requirements, which research shows would increase students' chances for college success. Currently, only 42 percent of Illinois high school students taking the ACT reported taking the recommended core curriculum for college preparation. Not surprisingly, those Illinois students taking this core curriculum scored significantly higher on the ACT than those who did not (22.4 versus 18.4). This issue also is clearly related to the issue of improved teacher quality and supply in that any high school's ability to offer the core curriculum rests directly on the availability of teachers who can teach the necessary subjects.

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[3] *Employment Projections, 2008.* Illinois Department of Employment Security, March 2001.

Assuring Opportunity through Affordability. Illinois has a strong history of promoting an affordable system of higher education. The Monetary Award Program, the state's premier need-based student aid program, is the fourth largest of its kind in the nation. Further, as noted earlier, Illinois has been recognized for this commitment through high rankings in affordability in both *Measuring Up 2000* and *Measuring Up 2002*.

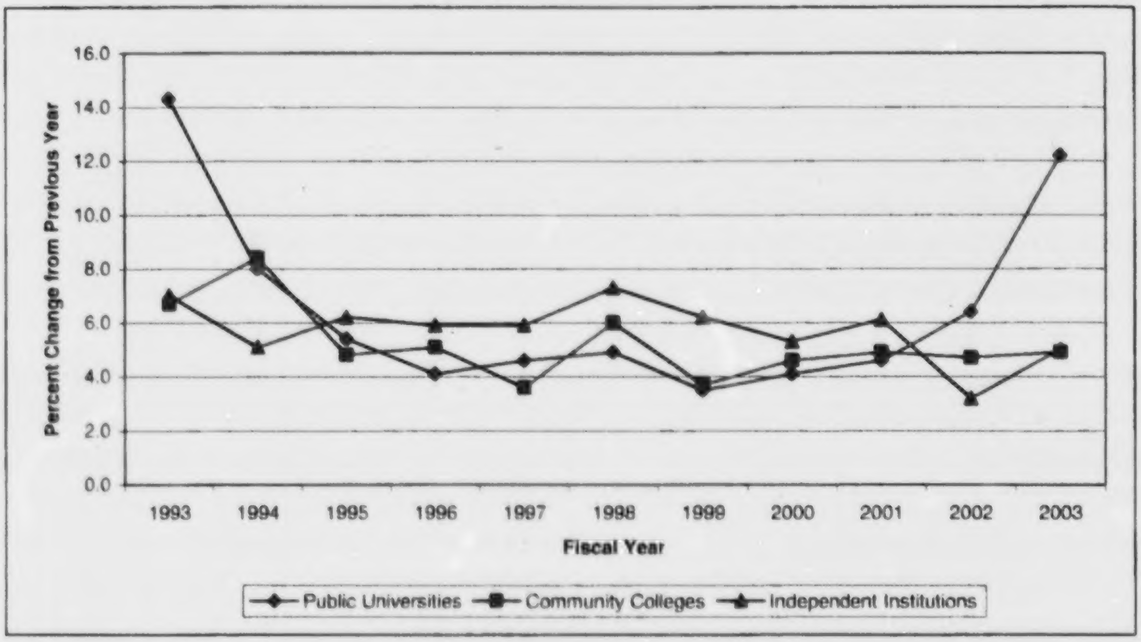
Despite this investment, evidence suggests college costs have become more expensive for Illinois residents during the past decade. In August 2002, the Board reviewed a report, *Assessing the Affordability of Illinois Higher Education: Update and Next Steps,* which highlighted the following trends:

- The growth in tuition and fees at Illinois community colleges, public universities, and private institutions exceeded inflation and increases in family income.
- The growth in the average loan burden of Illinois undergraduates exceeded the growth in inflation and more Illinois undergraduates have loans now than ever before.
- Illinois public universities and private institutions have become less affordable for lower income students and their families after accounting for what students receive through MAP and Pell Grants.

The challenge to maintain affordability for Illinois students continues. In 2002, college costs continued to increase in Illinois; tuition and fees increased by nearly 7 percent across all sectors for fiscal year 2003 and by more than 12 percent on average at public universities (see Figure II-A). This significant increase is in part due to the reductions in state general fund support in fiscal year 2003. Perhaps most disconcerting is the reduction in state funding for MAP – $38 million, or 10 percent, less than the previous year, and the single largest reduction in the program's 32-year history. As a result, MAP awards will benefit 12,000 fewer students than in fiscal year 2002, and no award in fiscal year 2003 will fully cover a student's charges for tuition and fees. The reduction in MAP funding combined with the aforementioned increases in tuition and fees has significantly diminished the "purchasing power" of the average MAP grant for all students (see Figure II-B). Several public universities (the University of Illinois, Southern Illinois University Carbondale, and Illinois State University) took institutional actions to minimize the impact of the fiscal year 2003 MAP reductions on needy students.

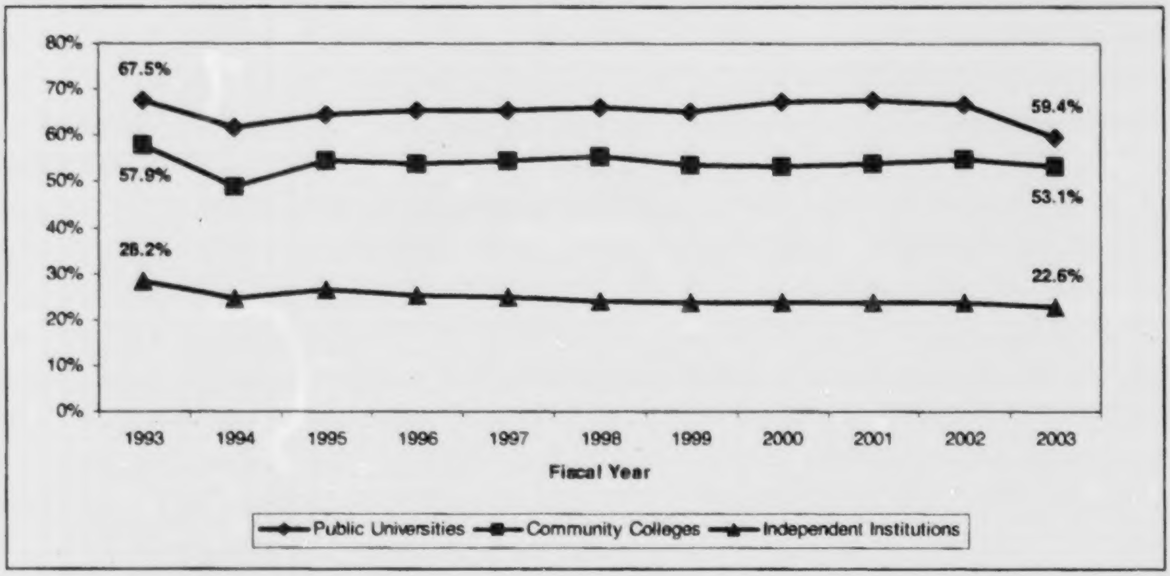
In partial response to these trends, the Board has established a Committee on Affordability in collaboration with ISAC. The Committee is charged to develop recommendations and actions that can be taken by the state, institutions, and students and their families to enhance affordability. It will take the combined efforts of all of these parties to address the trends previously outlined. The Committee first met in October 2002 and plans to complete its work in time for its recommendations to be incorporated into the fiscal year 2005 budget development process.

Figure II-A
Average Annual Increase in Illinois Resident Undergraduate Tuition and Fees By Sector: Fiscal Years 1993 to 2003



Sources: Illinois Student Assistance Commission Data Book, Illinois Board of Higher Education staff estimates.

Figure II-B
Average Monetary Award Program Award as a Percent of Average Undergraduate Tuition and Fees by Sector: Fiscal Years 1993 to 2003



Sources: Illinois Student Assistance Commission Data Book, Illinois Board of Higher Education staff estimates.

Increasing Access and Diversity. As demonstrated earlier, the benefits of attending college, monetary and non-monetary, are significant and continue to grow. Illinois has had a historic commitment to providing broad access to its large and diverse system of higher education for its citizens. Evidence of the state's success can be found in *Measuring Up 2002* as well as *Measuring Up 2000*, where Illinois received an "A" in the area of higher education participation in both years. Demand for higher education continues to grow in Illinois, particularly with the current weak economy, as fall 2002 enrollment in Illinois higher education institutions grew by over 33,000 to 785,600, an increase of 4.4 percent. Further, an additional 77,500 to 115,000 Illinoisans are predicted to enroll in college through the year 2020. Illinois also has been at the forefront of states in using technology to expand access to educational programs throughout the state (e.g., Illinois Century Network, Illinois Virtual Campus, Illinois Community Colleges Online, Illinois Virtual High School, Illinois Digital Academic Library), and was ranked first in the nation in the use of educational technology by the Center for Digital Government.

We live in an increasingly diverse society. Enrollment and degree attainment increases among Black and Hispanic students show that Illinois is making incremental progress in increasing the number and diversity of its citizens completing higher education programs. The Board's annual *Underrepresented Groups Report* (June 2002) indicates that during the past year total degrees earned increased by 4.2 percent for Black students and by 3.7 percent for Hispanic students. The Board is currently engaged in a special study on faculty diversity. Topics to be considered include: the "pipeline" of potential faculty and in-state placement of diverse graduate students, the hiring process, and the role of campus leadership in increasing faculty diversity, retaining a diverse faculty, and improving the campus climate. This study is important because a diverse faculty can help to enhance the diversity of the student body and promote a richer educational experience for all students.

There are a number of challenges to making continued progress on the goal of increasing access and diversity. First, while Illinois is above the national average on both the percent of high school graduates who go directly to college (59.8 percent versus 56.7 percent) and the percent of total population aged 18 or older enrolled in college (9.7 percent versus 8.8 percent), the state has slipped on both measures since the early 1990s. Further, regaining lost ground on the first measure (percent of high school graduates who go directly to college) will need to be considered in conjunction with the goal of increasing the college readiness of these students. Second, minority populations in Illinois are growing. Between 1999 and 2025, Hispanic enrollments will more than double, while the projected Caucasian share of enrollments will drop from 70 percent to less than 60 percent during this period. Finally, special needs populations are growing. In 1998, 9.4 percent of students reported having disabilities – up from seven percent a decade earlier. Also, more than 1.2 million adults in Illinois spoke a native language other than English in 1999. The growth in students with special needs makes the significant reductions in the community college Special Populations Grants and adult education funding in fiscal year 2003 even more dramatic.

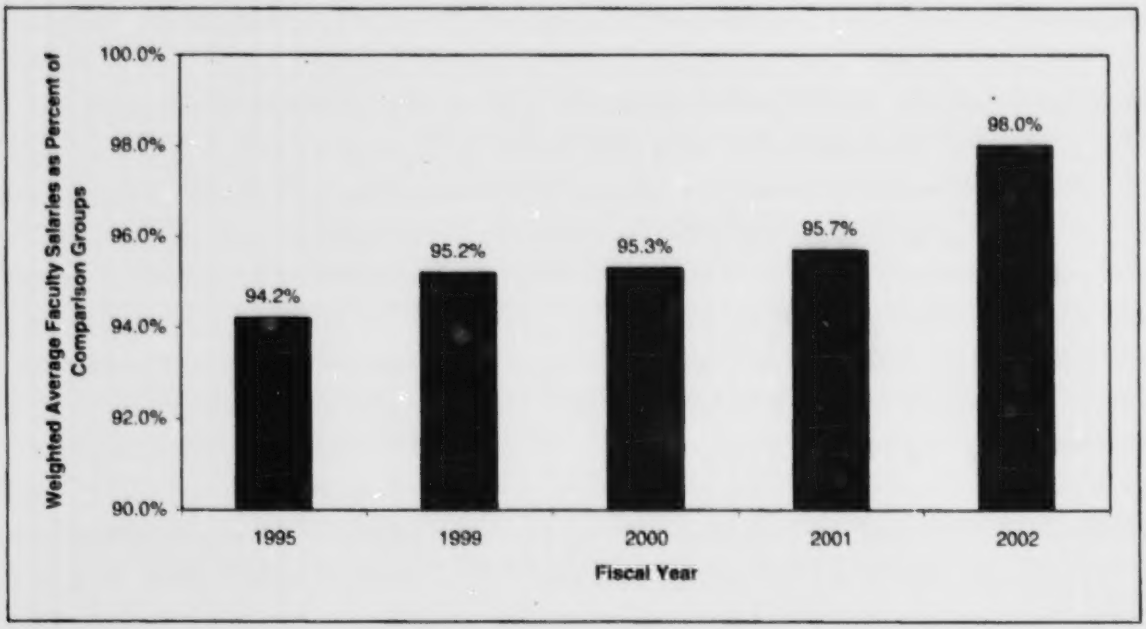
Enhancing Student Learning and Assessment and the Quality of Academic Programs. To be accountable for the quality of academic programs, institutions must be student-learning centered and results-oriented. Institutions must continually reassess the quality of their academic programs and use the results of these assessments for program improvement. Goal 5 of *The Illinois Commitment* requires all academic programs to have a comprehensive assessment of the student learning process in place by 2004, and institutions included a progress report on their status in implementing this requirement in this year's Results Report submissions. Updates on further progress will be submitted with Results Reports in 2003 and 2004.

Assessment processes are underway at most Illinois institutions. Most have developed comprehensive plans. Many have implemented those plans and are in the process of refining them: identifying expected learning outcomes, assessing learning in the unique program of study, and using the information to make improvements in curriculum, teaching and learning. Few institutions, however, have "closed the loop" on their assessment plans. A continuing challenge will be the development of a mature assessment process in which systematic feedback routinely improves curriculum and instruction in all programs, and thus enhances student learning.

Because the quality of instruction relates directly to the quality of the faculty and staff, it is a high priority at both the statewide and campus levels that resources be available to recruit and retain the highest quality faculty and staff. In fiscal years 2000, 2001, and 2002, funds were provided for an initiative designed to enhance efforts to recruit and retain critical faculty and staff at Illinois public institutions and agencies by bringing faculty salaries to the median of national peers. The initiative provided state funds for an average salary increase for all faculty and staff and additional funding to recruit and retain critical faculty and staff. State funding for recruiting and retaining faculty and staff in fiscal years 2000 and 2001 included funds equal to one percent of the personal services base; state funding in fiscal year 2002 equaled two percent of the personal services base. Institutions were expected to match the additional increment with an equal amount of institutional funds.

The report, *Salaries and Fringe Benefits at Illinois Colleges and Universities* (October 2002), presented data on fiscal year 2002 salaries, reflecting the results from the third year of the initiative and charting the progress made in moving faculty salaries at Illinois public universities closer to the median salary of their national peers. The report showed that progress has been made in improving salaries in comparison to peers, yet the statewide average faculty salary remained two percent below that of peer institutions (see Figure II-C). The absence of funding for salary increases in fiscal year 2003 will make it difficult, if not impossible, to retain the progress that has been made to date.

Figure II-C
Illinois Public Universities
All-Rank Average Faculty Salaries as a Percent of Comparison Group Medians
Fiscal Years 1995 to 2002



Source: American Association of University Professors.

Increasing Productivity, Cost Effectiveness, and Accountability. Ensuring the productivity, cost effectiveness, and accountability of higher education is important during good economic times, but is crucial during times of fiscal downturn. As noted earlier, it is unlikely that the amount of new funding support for higher education in fiscal year 2004 will approach the levels seen in recent years given the uncertain revenue forecast at this time. As a result, institutional efforts to improve productivity, focus on priorities, and develop creative solutions to conserve resources will become even more critical than in the past. Furthermore, as competition for state tax dollars intensifies, higher education will be expected to become more accountable to students, taxpayers, and state lawmakers. For higher education to maintain its high priority position in the state funding hierarchy, continued evidence of institutional performance and public accountability are necessary.

Illinois' strong showing on the national higher education report card in both 2000 and 2002 reflects the high level of quality and performance of the state's system of higher education. This is due in part to the strong system of checks and balances in place at the state and institutional levels. The Illinois Board of Higher Education, in collaboration with the state higher education community, has developed a series of processes and activities to implement the goal of increased productivity, cost effectiveness and accountability:

- **Results Report.** Higher education institutions and agencies annually submit a report to document their distinct contributions to achieving the six statewide goals of *The Illinois Commitment*. From these reports and a variety of other analyses and sources, an annual *Statewide Results Report* is developed by the Illinois Board of Higher Education documenting higher education's progress in meeting the goals of *The Illinois Commitment* and highlighting where additional improvement is needed.

- **Program Review.** Institutions engage in regular reviews of the academic programs. Existing programs are reviewed at least once every eight years; new programs are reviewed after three years and then moved to an eight-year cycle. Programs requiring professional licensure are reviewed in accordance with a three-year cycle until accreditation.

- **Budget Development**. The development of annual budget recommendations involves targeting of resources to the state's highest priorities and addressing issues identified through annual results reports. Extensive detailed information is collected as part of this process, and provided to the Governor's Office and General Assembly in support of the budget recommendations.

- **Productivity and Accountability.** Institutions are required to reallocate base budget resources from lower to higher priority programs and services at the rate of one percent annually. As institutions received new funding for salary increases and to address deferred maintenance in recent years, they have been required to match these state monies with internal resources.

- **Comptroller's Accountability Project.** Illinois colleges and universities annually contribute to the Comptroller's Public Accountability Project, providing detailed information for annual service, efforts, and accomplishments. Enhancements to these reports have been made annually to provide more comprehensive information on how funds are used by institutions and agencies.

- **Analytical Studies, Research, and Reports.** A number of analytical studies are conducted throughout the year, including an instructional cost analysis, a comparison of Illinois faculty salaries to faculty salaries at peer institutions throughout the country, a follow-up study of public university baccalaureate degree recipients, an underrepresented groups report, and a shared enrollment survey to review time-to-degree. These studies, along with market research, provide a basis upon which to determine progress in meeting various policy objectives.

Related processes currently are "under development" as well. The Illinois Board of Higher Education, with assistance from an advisory committee comprised of representatives from Illinois public universities, community colleges, and private institutions, is developing statewide and common institutional performance indicators. The indicators will be directly linked to *The Illinois Commitment* through annual Results Reports and will provide a more objective assessment of how well Illinois' system of higher education is doing in meeting statewide goals. When completed, Illinois will have in place the most rigorous, performance-based accountability system in the nation.

Particularly during times of fiscal austerity, public concerns are raised regarding the amount and proportion of institutional expenditures for administrative overhead and other support functions so that such expenditures do not divert the scarce resources needed to support primary mission activities (i.e., instruction, research, and public service). Between fiscal years 1992 and 2001 (the most recent data available), total university operating budgets funded through state appropriations and tuition revenue grew by 45 percent. During this same period, total public university institutional support expenditures (general administrative functions) grew by 49 percent.

Within the overall category of institutional support, expenditures devoted to senior management (e.g., presidents, chancellors, provosts, vice presidents) grew by only 9.4 percent during this period. The most significant increase among institutional support functions was for general administrative and logistical services (85 percent), which includes campus computing and information systems expenditures. Public universities in Illinois and nationally have directed significant resources to upgrading and modernizing campus information technology operations in an effort to make campus academic and administrative processes more efficient. These efforts are important to maintaining quality in instruction, research, and public service activities (i.e., primary mission activities).

Between fiscal years 1992 and 2001, public university administrative personnel (e.g., senior administrators) as a percent of all staff funded through state operating budgets declined from 0.9 percent to 0.6 percent while faculty remained stable as a percent of the total (39.0 percent). However, other professional staff increased as a percent of the total from 12.7 percent to 17.6 percent during this period. This category includes such individuals as academic advisors, financial aid advisors, and technology support specialists – staff critical to meeting the needs of students and faculty.

The Illinois Board of Higher Education is working in cooperation with public universities to further analyze trends in administrative and support expenditures to identify underlying patterns and potential areas of concern, including factors contributing to growth in these areas. This study should be completed by January 2003.

Summary. Table II-7 presents a summary of the progress to date of Illinois' system of higher education in meeting the goals of *The Illinois Commitment* and challenges for fiscal year 2004 and beyond.

Table II-7
Summary of Progress and Fiscal Year 2004 Challenges Toward Meeting the Goals of *The Illinois Commitment*

Goal Area	Progress	Challenges
1. Economic Growth	▪ Increasing numbers of Illinois graduates. ▪ Extensive research and technology transfer activities.	▪ Continuing to meet the needs of business and industry for well-prepared graduates in the right fields.
2. P-16 Education	▪ Strong collaboration among IBHE, ICCB, and ISBE to address teacher preparation, retention, and professional development.	▪ Ensuring an adequate supply of high quality teachers for Illinois K-12 schools. ▪ Addressing gaps in college readiness among Illinois high school graduates.
3. Affordability	▪ Prior to fiscal year 2003, a continuing strong commitment to need-based student financial aid at the state level.	▪ Maintaining and enhancing affordability despite a number of negative trends, including significant reductions to the Monetary Award Program in fiscal year 2003.
4. Access and Diversity	▪ Increases in enrollment and degrees granted overall as well as for traditionally underrepresented groups.	▪ Improving the college readiness of all Illinois high school graduates. ▪ Meeting the needs of an increasingly diverse state population.
5. Enhancing Student Learning	▪ Continued implementation of the requirement that all academic programs have a systematic assessment of student learning in place by 2004.	▪ Meeting this requirement in full by 2004. ▪ Maintaining a high quality faculty and staff at Illinois public institutions.
6. Accountability and Productivity	▪ Continued implementation of a comprehensive set of processes and activities to facilitate accountability and productivity.	▪ Ensuring the efficient and effective use of resources for the highest priority needs during this time of fiscal austerity.

Summary of Fiscal Year 2004 Budget Recommendations

Operations and Grants. The fiscal year 2004 budget recommendations for higher education operations and grants focus resources on the highest priority statewide needs in the context of the current and anticipated fiscal environment and the goals set forth by *The Illinois Commitment*. Emphasis is placed on providing higher education institutions and agencies with support for salaries, addressing the needs of adult learners, restoring affordability for needy students, and meeting statutory mandates for retirement funding. Funding also is allocated for continuation of the Recruiting and Retaining Critical Faculty and Staff initiative to help maintain the quality of an undergraduate education, and for support of statewide initiatives designed to enhance teaching, learning, and quality at all levels of education; promote access and diversity; and foster workforce and economic development.

The higher education operations and grants budget recommendations for fiscal year 2004 include state general funds of $2.7 billion, an increase of $123.8 million, or 4.9 percent, over fiscal year 2003 general funds appropriations. This recommended increase in general funds support includes additional resources for the following priority areas:

- $42.9 million to meet the statutorily required contributions for the State Universities Retirement System.
- $37.7 million to improve affordability through the Illinois Student Assistance Commission;
- $32.5 million for a two percent salary increase at public universities, plus funds to recruit and retain critical faculty and staff;
- $7.6 million for grants to community colleges;
- $1.8 million for the Illinois Mathematics and Science Academy;
- $1.3 million for adult education programs;
- $1.3 million to address statewide initiatives for access and diversity; and
- $900,000 to address statewide initiatives for teaching, learning, and quality.

In addition, the budget recommendations include $94,600 for higher education agencies and a net reduction of $2.3 million in existing grant program resources that have been reallocated to help address high priority needs in workforce and economic development and other areas. These recommendations also will require reallocations at institutions and agencies to address unavoidable cost increases. When all sources of funds are considered, the budget for fiscal year 2004 totals $3.8 billion, an increase of $150.8 million, or 4.1 percent, over fiscal year 2003 appropriations.

These recommendations will help Illinois' system of higher education retain competitiveness while addressing areas of high priority and recognizing the state's fiscal limitations. Over $200 million in requests for fiscal year 2004 from higher education institutions and agencies remain unfunded in these recommendations. No funds are provided for new or expanded academic programs at public universities, operating and maintenance costs for new facilities opening up in fiscal years 2003 or 2004, anticipated cost increases in utilities and other areas, or additional awards through the Monetary Award Program. Institutions and agencies will be required to continue internal reallocation efforts to address these and other items not funded through these recommendations. The recommendations presented in subsequent chapters are a very conservative estimate of what is needed by Illinois system of higher education in fiscal year 2004, in recognition of the state's current fiscal environment.

Capital Improvements. The fiscal year 2004 budget recommendation for higher education capital improvements is $341.8 million, including $311.8 million in regular capital projects and $30.0 million in Capital Renewal funding. This recommendation is just $3.5 million more than what was provided by the Governor and General Assembly for fiscal year 2003, and less than 30 percent of what was requested ($1.2 billion) for fiscal year 2004. The priorities for recommended funding in fiscal year 2004 are:

- Capital Renewal funding to provide critical remodeling and infrastructure improvements at public universities and community colleges;
- projects that address an emergency infrastructure problem or life/health/safety issues;
- projects for which a funding commitment has been made through prior appropriation(s) or authorization;
- projects previously recommended by the Board but not funded by the Governor and General Assembly; and
- high ranking projects on institutional priority lists.

In recognition of the serious fiscal problems facing the state, the Board has taken a very conservative approach in recommending capital funding priorities for fiscal year 2004. As a result, many worthwhile projects are not included in the fiscal year 2004 recommendations.

OPERATIONS AND GRANTS

III. PUBLIC UNIVERSITIES

Illinois' 12 public universities enrolled over 200,300 students in fall term 2002, an increase of 2.6 percent over fall term 2001 levels. In addition, the universities granted almost 44,000 degrees across all levels and many fields of study in 2000-01. Illinois public universities are the largest producer of baccalaureate degrees in the state, accounting for 55 percent of the total in 2000-01. In addition, public universities serve all Illinois citizens, business, and industry through the many public service and research activities engaged in by faculty and staff.

In fiscal year 2002, public universities were asked to set aside $17.1 million of state general funds as part of a mid-year rescission. In fiscal year 2003, universities received $91.2 million, or 6.1 percent, less than appropriated in fiscal year 2002. In addition to these reductions in state general funds, the public universities were asked to contribute $45 million toward the cost of the state employee's group health insurance program. No other state agency has been asked to contribute state general funds for this purpose.

Institutions responded to fiscal years 2002 and 2003 budget reductions in a variety of ways. The most commonly cited actions taken in fiscal year 2002 included the deferment of purchases and maintenance projects, hiring delays, and a reduction in part-time or seasonal staff. Two universities eliminated course offerings or reduced course sections in fiscal year 2002, while five of the universities noted a reduction in staff training and professional development. In fiscal year 2002, 101 positions were eliminated through attrition or elimination of vacant positions and 97 positions were eliminated through lay-offs. This combination of staff reductions and other actions totaled approximately $56.1 million in fiscal year 2002.

Actions taken in fiscal year 2003 will impact a greater number of staff and require deeper cuts into campus operations. In fiscal year 2003, an estimated 1,100 jobs will be eliminated through attrition or elimination of vacant positions and an additional 217 employees will be put on lay-off status. Again, in fiscal year 2003, the most commonly cited actions to be taken were the deferral of purchases and maintenance and hiring delays. Institutions attempted to minimize the impact of these budget reductions on academic units to minimize the disruption on student programs of study. For example, the University of Illinois campuses cut fiscal year 2003 budgets for administrative units 40 percent more than academic units. However, given that instruction accounts for approximately 50 percent of public university state general fund support, institutions were unable to hold academic units completely harmless from the fiscal year 2003 budget reductions, resulting in some eliminations and reductions in course offerings this year.

In addition to reductions necessary to operate within reduced funding levels, public universities reported several items classified as "unavoidable expenditures" in fiscal year 2003. These items include the group health insurance transfer, sick/vacation/retirement payouts for current employees, utilities cost increases, operating and maintenance costs for new buildings, negotiated labor contracts, and medical malpractice insurance for university hospitals.

The fiscal year 2004 budget recommendations for public universities address the statewide priority of maintaining the quality of an undergraduate education by recognizing that the quality of a student's education is related directly to the quality of an institution's faculty and staff. These recommendations acknowledge that addressing the competitiveness of faculty and staff compensation is the top priority for fiscal year 2004.

The fiscal year 2004 budget recommendations for public universities total $2,181.8 million, an increase of $74.3 million or 3.5 percent. Included in this total are $1,444.2 million in state general funds, an increase of $32.5 million, or 2.3 percent over fiscal year 2003 appropriations. This funding supports an average two percent salary increase for all faculty and staff, a two percent increase for Medicare and Social Security costs, and the continuation of the Recruiting and Retaining Critical Faculty and Staff Initiative. The recommendations for public universities are summarized on Tables III-1 through III-4. Tables listing the specific program recommendations for each institution follow Table III-4.

Compensation Increases. The budget recommendations include $30.9 million for a two percent average salary increase, calculated on 95 percent of each university's personal services base, and a two percent increase for Medicare and Social Security costs. The recommendations assume that University Income Funds (tuition revenues) will increase by two percent and offset a portion of the total cost associated with compensation increases. Specifically, a total of $17.3 million in state general funds is provided for general compensation increases with University Income Funds providing $13.6 million. Actual salary increase decisions will vary by campus and individual based on available campus resources and other decision factors.

Recruiting and Retaining Critical Faculty and Staff. The budget recommendations include general funds of $15.3 million for the Recruiting and Retaining Critical Faculty and Staff initiative at public universities. Fiscal year 2004 marks the fifth year of an initiative designed to enhance the competitiveness of faculty and staff salaries at Illinois public universities (no funds were provided in fiscal year 2003). This initiative provides funds to be used to recruit and retain employees in high demand areas; provide performance-based salary increases; provide incentives for early retirement programs; offset state-mandated early retirement costs; purchase equipment and remodel laboratories to recruit new faculty; recruit minority faculty; and to support faculty and staff recruitment and retention programs. It is anticipated that institutions will match the one percent contribution for Recruiting and Retaining Critical Faculty and Staff.

As noted in Chapter II, the Recruiting and Retaining Critical Faculty and Staff Initiative has enabled Illinois public universities to increase faculty salaries in relation to peer institutions from 95.2 percent to 98.0 percent of comparison group medians on average between fiscal years 1999 and 2002. However, this report measured faculty salaries at public universities as of fiscal year 2002, at a point where funding for the initiative had been provided for three consecutive years. In fiscal year 2003, the absence of any new funds for salary increases has likely hampered institutions' efforts to improve salary competitiveness beyond the gains realized in fiscal year 2002.

University Income Funds. These recommendations recognize the authority of public universities to collect, hold, and spend income fund revenues locally, and also recognize that tuition revenues are a significant source of support for institutional resource requirements and campus priorities. Universities are expected to contribute tuition revenues to support the general salary increase decision rule in these recommendations, with that contribution calculated as two percent of the fiscal year 2003 institutional income fund budget. In fiscal year 2004, the University Income Fund contribution for salary decision rules in these recommendations totals $13.6 million. At those campuses where income funds over and above the two percent salary contribution are available due to enrollment increases and/or tuition increases, the budget recommendations include the campus allocations of those revenues to specific program priorities.

In fiscal year 2004, universities estimate the availability of $733.7 million in University Income Funds, an increase of $41.6 million, or 6.0 percent, over fiscal year 2003 levels. Governors

State University and Northern Illinois University had not projected fiscal year 2004 tuition revenues at the time these recommendations were developed. The recommendation for each campus is based on campus estimates of available tuition and other income fund revenue considering fiscal year 2004 tuition and fee rates, the amount of tuition collected, and the number of students enrolled.

Table III - 1

FY2004 RECOMMENDATIONS
UNIVERSITIES OPERATIONS AND GRANTS
GENERAL FUNDS

(in thousands of dollars)

Resource Requirements	FY2003 Appropriation	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Chicago State University	$ 41,531.2	$ 54,383.8	$ 42,485.5	$ 954.3	2.3 %
Eastern Illinois University	51,883.0	61,313.8	53,055.6	1,172.6	2.3
Governors State University	26,350.6	30,297.9	26,931.9	581.3	2.2
Illinois State University	87,673.5	97,810.0	89,704.2	2,030.7	2.3
Northeastern Illinois University	42,585.4	43,745.5	43,542.5	957.1	2.2
Northern Illinois University	110,936.6	128,479.3	113,520.8	2,584.2	2.3
Western Illinois University	61,126.0	70,554.6	62,617.4	1,491.4	2.4
Southern Illinois University	234,716.6	252,797.6	239,931.0	5,214.4	2.2
Carbondale	163,845.5	176,163.2	167,484.7	3,639.2	2.2
Edwardsville	68,720.2	74,228.6	70,241.1	1,520.9	2.2
University Administration	2,150.9	2,405.8	2,205.2	54.3	2.5
University of Illinois	754,917.4	833,348.0	772,437.2	17,519.8	2.3
Chicago	333,246.8	362,549.9	340,963.5	7,716.7	2.3
Springfield	23,120.3	27,494.6	23,721.1	600.8	2.6
Urbana-Champaign	315,997.7	344,178.2	323,641.6	7,643.9	2.4
University Administration	82,552.6	99,125.3	84,111.0	1,558.4	1.9
Total	$ 1,411,720.3	$ 1,572,730.5	$ 1,444,226.1	$ 32,505.8	2.3 %

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Table III - 2

FY2004 RECOMMENDATIONS
UNIVERSITIES OPERATIONS AND GRANTS
ALL APPROPRIATED FUNDS AND INCOME FUNDS

(in thousands of dollars)	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Resource Requirements					
Chicago State University	$ 56,081.2	$ 70,145.3	$ 58,247.0	$ 2,165.8	3.9 %
Eastern Illinois University	84,163.5	95,432.0	87,173.8	3,010.3	3.6
Governors State University	38,225.2	42,410.0	39,044.0	818.8	2.1
Illinois State University	147,435.8	161,795.8	153,690.0	6,254.2	4.2
Northeastern Illinois University	67,214.4	72,721.3	72,518.3	5,303.9	7.9
Northern Illinois University	177,271.1	196,140.5	181,182.0	3,910.9	2.2
Western Illinois University	95,319.0	106,786.9	98,849.7	3,530.7	3.7
Southern Illinois University	347,382.5	375,684.6	362,818.0	15,435.5	4.4
Carbondale	242,027.1	262,014.3	253,335.8	11,308.7	4.7
Edwardsville	103,204.5	111,264.5	107,277.0	4,072.5	3.9
University Administration	2,150.9	2,405.8	2,205.2	54.3	2.5
University of Illinois	1,094,409.1	1,188,997.0	1,128,303.3	33,894.2	3.1
Chicago	452,325.7	485,198.4	463,612.0	11,286.3	2.5
Springfield	34,367.0	38,787.0	35,013.5	646.5	1.9
Urbana-Champaign	519,872.9	560,595.4	540,058.8	20,185.9	3.9
University Administration	87,843.5	104,416.2	89,619.0	1,775.5	2.0
Total	$ 2,107,501.8	$ 2,310,113.4	$ 2,181,826.1	$ 74,324.3	3.5 %
Source of Appropriated Funds					
General Funds	$ 1,411,720.3	$ 1,572,730.5	$ 1,444,226.1	$ 32,505.8	2.3 %
General Revenue Fund	1,230,726.0	1,391,736.2	1,263,231.8	32,505.8	2.6
Education Assistance Fund	180,994.3	180,994.3	180,994.3	-	-
Other	3,690.9	3,690.9	3,908.0	217.1	5.9
Source of Non-Appropriated Funds					
University Income Funds *	$ 692,090.6	$ 733,692.0	$ 733,692.0	$ 41,601.4	6.0 %

- University income funds are non-appropriated funds collected, held, and allocated locally by each university, and reported to the Governor and General Assembly by the Board of Higher Education. They are derived primarily from tuition and fees.

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Table III - 3

FY2004 RECOMMENDATIONS
UNIVERSITIES OPERATIONS AND GRANTS
SOURCES OF FUNDS

(in thousands of dollars)

Resource Requirements	General Revenue Fund	Education Assistance Fund	University Income Funds *	Other. Appropriated Funds	Total
Chicago State University	$ 41,052.2	$ 1,433.3	$ 15,761.5	-	$ 58,247.0
Eastern Illinois University	45,901.4	7,154.2	34,118.2	-	87,173.8
Governors State University	22,678.7	4,253.2	12,112.1 **	-	39,044.0
Illinois State University	75,309.5	14,394.7	63,985.8	-	153,690.0
Northeastern Illinois University	36,956.2	6,586.3	28,975.8	-	72,518.3
Northern Illinois University	95,236.3	18,284.5	67,661.2 **	-	181,182.0
Western Illinois University	52,965.0	9,652.4	36,232.3	-	98,849.7
Southern Illinois University	208,134.8	31,796.2	122,887.0	-	362,818.0
Carbondale	146,154.3	21,330.4	85,851.1	-	253,335.8
Edwardsville	59,876.0	10,365.1	37,035.9	-	107,277.0
University Administration	2,104.5	100.7	-	-	2,205.2
University of Illinois	684,997.7	87,439.5	351,958.1	$ 3,908.0	1,128,303.3
Chicago	305,338.0	35,625.5	122,648.5	-	463,612.0
Springfield	18,624.1	5,097.0	9,792.4	1,500.0	35,013.5
Urbana-Champaign	281,028.5	42,613.1	216,417.2	-	540,058.8
University Administration	80,007.1	4,103.9	3,100.0	2,408.0	89,619.0
Total	$ 1,263,231.8	$ 180,994.3	$ 733,692.0	$ 3,908.0	$ 2,181,826.1

* University income funds are non-appropriated funds collected, held, and allocated locally by each university, and reported to the Governor and General Assembly by the Board of Higher Education. They are derived primarily from tuition and fees.

** Estimated

Table III - 4

FY2004 RECOMMENDATIONS
UNIVERSITY INCOME FUNDS*

(in thousands of dollars)

	Fiscal Year 2003	Fiscal Year 2004	Change From Fiscal Year 2003		Two Percent Cost Increase Requirement	Income Fund Adjustment	Allocation to Institutional Program Priorities
			Dollars	Percent			
Chicago State University	$ 14,550.0	$ 15,761.5	$ 1,211.5	8.3 %	$ 291.0	$ -	$ 920.5
Eastern Illinois University	32,280.5	34,118.2	1,837.7	5.7	645.6	-	1,192.1
Governors State University	11,874.6	12,112.1	237.5	2.0 **	237.5	-	-
Illinois State University	59,762.3	63,985.8	4,223.5	7.1	1,195.2	-	3,028.3
Northeastern Illinois University	24,629.0	28,975.8	4,346.8	17.6	492.6	-	3,854.2
Northern Illinois University	66,334.5	67,661.2	1,326.7	2.0 **	1,326.7	-	-
Western Illinois University	34,193.0	36,232.3	2,039.3	6.0	683.9	-	1,355.4
Southern Illinois University	112,665.9	122,887.0	10,221.1	9.1	2,004.5	-	8,216.6
Carbondale	78,181.6	85,851.1	7,669.5	9.8	1,314.8	-	6,354.7
Carbondale Campus	61,407.7	66,956.3	5,548.6	9.0	1,228.2	-	4,320.4
Direct Cost Recovery	12,446.3	13,892.3	1,446.0	11.6	-	-	1,446.0
School of Medicine	4,327.6	5,002.5	674.9	15.6	86.6	-	588.3
Edwardsville	34,484.3	37,035.9	2,551.6	7.4	689.7	-	1,861.9
University of Illinois	335,800.8	351,958.1	16,157.3	4.8	6,716.0	(211.2)	9,652.5
Chicago	119,078.9	122,648.5	3,569.6	3.0	2,381.6	-	1,188.0
Springfield	9,746.7	9,792.4	45.7	0.5	194.9	(149.2)	-
Urbana-Champaign	203,875.2	216,417.2	12,542.0	6.2	4,077.5	-	8,464.5
University Administration	3,100.0	3,100.0	-	-	62.0	(62.0)	-
Total	$ 692,090.6	$ 733,692.0	$ 41,601.4	6.0 %	$ 13,593.0	$ (211.2)	$ 28,219.6

* University income funds are non-appropriated funds collected, held, and allocated locally by each university, and reported to the Governor and General Assembly by the Board of Higher Education. They are derived primarily from tuition and fees.

** Estimated

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SUMMARY - PUBLIC UNIVERSITIES

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Other State Appropriated Funds	Total
FY 2003 Operations	$ 1,411,720.3	$ 692,090.6	$ 3,690.9	$ 2,107,501.8
Salary and Medicare Increases - 2.0%	17,284.2	13,593.0	-	30,877.2
Recruit/Retain Critical Faculty and Staff	15,305.1	-	-	15,305.1
Increase in Other Funds	-	-	217.1	217.1
Institutional Program Revenues	-	28,219.6	-	28,219.6
Income Fund Adjustments		(211.2)		(211.2)
Tuition Waiver Adjustments	(83.5)			(83.5)
FY 2004 Recommendation	$ 1,444,226.1	$ 733,692.0	$ 3,908.0	$ 2,181,826.1
$ Change	$ 32,505.8	$ 41,601.4	$ 217.1	$ 74,324.3
% Change	2.3 %	6.0 %	5.9 %	3.5 %

Sources of Funds	
General Revenue Fund	1,263,231.8
Education Assistance Fund	180,994.3
University Income Fund	733,692.0
Other Funds	3,908.0
Total Funds	$ 2,181,826.1

CHICAGO STATE UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 41,531.2	$ 14,550.0	$ 56,081.2
Salary and Medicare Increase (2.0%)	597.8	291.0	888.8
Recruit/Retain Critical Faculty and Staff	440.0	-	440.0
Laboratory Fees	-	82.9	82.9
Library Moving Expense	-	754.3	754.3
Social Security/Medicare Increases and Retirement Benefit Payouts	-	83.3	83.3
Tuition and Fee Waiver Adjustment	(83.5)		(83.5)
FY 2004 Recommendation	$ 42,485.5	$ 15,761.5	$ 58,247.0
$ Change	$ 954.3	$ 1,211.5	$ 2,165.8
% Change	2.3 %	8.3 %	3.9 %

Sources of Funds	
General Revenue Fund	41,052.2
Education Assistance Fund	1,433.3
University Income Fund	15,761.5
Total Funds	$ 58,247.0

EASTERN ILLINOIS UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 51,883.0	$ 32,280.5	$ 84,163.5
Salary and Medicare Increase (2.0%)	554.5	645.6	1,200.1
Recruit/Retain Critical Faculty and Staff	618.1	-	618.1
Academic Support	-	813.4	813.4
Technology Enhancements	-	378.7	378.7
FY 2004 Recommendation	$ 53,055.6	$ 34,118.2	$ 87,173.8
$ Change	$ 1,172.6	$ 1,837.7	$ 3,010.3
% Change	2.3 %	5.7 %	3.6 %

Sources of Funds	
General Revenue Fund	45,901.4
Education Assistance Fund	7,154.2
University Income Fund	34,118.2
Total Funds	$ 87,173.8

GOVERNORS STATE UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 26,350.6	$ 11,874.6	$ 38,225.2
Salary and Medicare Increase (2.0%)	311.3	237.5	548.8
Recruit/Retain Critical Faculty and Staff	270.0	-	270.0
FY 2004 Recommendation	$ 26,931.9	$ 12,112.1	$ 39,044.0
$ Change	$ 581.3	$ 237.5	$ 818.8
% Change	2.2 %	2.0 %	2.1

Sources of Funds	
General Revenue Fund	22,678.7
Education Assistance Fund	4,253.2
University Income Fund	12,112.1
Total Funds	$ 39,044.0

ILLINOIS STATE UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds		University Income Funds		Total	
FY 2003 Operations	$ 87,673.5		$ 59,762.3		$ 147,435.8	
Salary and Medicare Increase (2.0%)	953.7		1,195.2		2,148.9	
Recruit/Retain Critical Faculty and Staff	1,077.0		2,127.7		3,204.7	
Carryover Revenue	-		900.6		900.6	
FY 2004 Recommendation	$ 89,704.2		$ 63,985.8		$ 153,690.0	
$ Change	$ 2,030.7		$ 4,223.5		$ 6,254.2	
% Change	2.3	%	7.1	%	4.2	%

Sources of Funds	
General Revenue Fund	75,309.5
Education Assistance Fund	14,394.7
University Income Fund	63,985.8
Total Funds	$ 153,690.0

NORTHEASTERN ILLINOIS UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 42,585.4	$ 24,629.0	$ 67,214.4
Salary and Medicare Increase (2.0%)	477.1	492.6	969.7
Recruit/Retain Critical Faculty and Staff and Academic Program Enhancements	480.0	-	480.0
Technology Support -- Improving Web-based Student Services	-	925.0	925.0
Academic Program Support	-	2,929.2	2,929.2
FY 2004 Recommendation	$ 43,542.5	$ 28,975.8	$ 72,518.3
$ Change	$ 957.1	$ 4,346.8	$ 5,303.9
% Change	2.2 %	17.6 %	7.9 %

Sources of Funds	
General Revenue Fund	36,956.2
Education Assistance Fund	6,586.3
University Income Fund	28,975.8
Total Funds	$ 72,518.3

NORTHERN ILLINOIS UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 110,936.6	$ 66,334.5	$ 177,271.1
Salary and Medicare Increase (2.0%)	1,294.2	1,326.7	2,620.9
Recruit/Retain Critical Faculty and Staff	1,290.0	-	1,290.0
FY 2004 Recommendation	$ 113,520.8	$ 67,661.2	$ 181,182.0
$ Change	$ 2,584.2	$ 1,326.7	$ 3,910.9
% Change	2.3 %	2.0 %	2.2 %

Sources of Funds	
General Revenue Fund	95,236.3
Education Assistance Fund	18,284.5
University Income Fund	67,661.2
Total Funds	$ 181,182.0

WESTERN ILLINOIS UNIVERSITY

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 61,126.0	$ 34,193.0	$ 95,319.0
Salary and Medicare Increase (2.0%)	771.4	683.9	1,455.3
Recruit/Retain Critical Faculty and Staff	720.0	720.0	1,440.0
Enhancing the Student Experience	-	635.4	635.4
FY 2004 Recommendation	$ 62,617.4	$ 36,232.3	$ 98,849.7
$ Change	$ 1,491.4	$ 2,039.3	$ 3,530.7
% Change	2.4 %	6.0 %	3.7 %

Sources of Funds	
General Revenue Fund	52,965.0
Education Assistance Fund	9,652.4
University Income Fund	36,232.3
Total Funds	$ 98,849.7

SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 163,845.5	$ 78,181.6	$ 242,027.1
Salary and Medicare Increase (2.0%)	1,999.2	1,314.8	3,314.0
Recruit/Retain Critical Faculty and Staff	1,640.0	1,640.0	3,280.0
Classroom Renovations	-	1,206.3	1,206.3
Enhance Recruitment and Retention of High Quality Graduate Students	-	1,200.0	1,200.0
Center for Health and Law Policy	-	345.0	345.0
School of Medicine Family and Community Medicine	-	222.4	222.4
Direct Cost Recovery Adjustment	-	1,446.0	1,446.0
Enhance New Student Recruitment/Transition	-	295.0	295.0
FY 2004 Recommendation	$ 167,484.7	$ 85,851.1	$ 253,335.8
$ Change	$ 3,639.2	$ 7,669.5	$ 11,308.7
% Change	2.2 %	9.8 %	4.7 %
Sources of Funds			
General Revenue Fund			146,154.3
Education Assistance Fund			21,330.4
University Income Fund			85,851.1
Total Funds			$ 253,335.8

SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 68,720.2	$ 34,484.3	$ 103,204.5
Salary and Medicare Increase (2.0%)	790.9	689.7	1,480.6
Recruit/Retain Critical Faculty and Staff	730.0	-	730.0
Meeting Enrollment Growth Needs	-	1,741.9	1,741.9
Enhance School of Dental Medicine	-	120.0	120.0
FY 2004 Recommendation	$ 70,241.1	$ 37,035.9	$ 107,277.0
$ Change	$ 1,520.9	$ 2,551.6	$ 4,072.5
% Change	2.2 %	7.4 %	3.9 %

Sources of Funds	
General Revenue Fund	59,876.0
Education Assistance Fund	10,365.1
University Income Fund	37,035.9
Total Funds	$ 107,277.0

SOUTHERN ILLINOIS UNIVERSITY
UNIVERSITY ADMINISTRATION

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds		Total	
FY 2003 Operations	$ 2,150.9		$ 2,150.9	
Salary and Medicare Increase (2.0%)	34.3		34.3	
Recruit/Retain Critical Faculty and Staff	20.0		20.0	
FY 2004 Recommendation	$ 2,205.2		$ 2,205.2	
$ Change	$ 54.3		$ 54.3	
% Change	2.5	%	2.5	%
Sources of Funds				
General Revenue Fund			2,104.5	
Education Assistance Fund			100.7	
Total Funds			$ 2,205.2	

UNIVERSITY OF ILLINOIS AT CHICAGO

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Total
FY 2003 Operations	$ 333,246.8	$ 119,078.9	$ 452,325.7
Salary and Medicare Increase (2.0%)	4,376.7	2,381.6	6,758.3
Recruit/Retain Critical Faculty and Staff	3,340.0	-	3,340.0
Academic Infrastructure Support	-	1,188.0	1,188.0
FY 2004 Recommendation	$ 340,963.5	$ 122,648.5	$ 463,612.0
$ Change	$ 7,716.7	$ 3,569.6	$ 11,286.3
% Change	2.3 %	3.0 %	2.5 %
Sources of Funds			
General Revenue Fund			305,338.0
Education Assistance Fund			35,625.5
University Income Fund			122,648.5
Total Funds			$ 463,612.0

UNIVERSITY OF ILLINOIS AT SPRINGFIELD

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Other State Appropriated Funds	Total
FY 2003 Operations	$ 23,120.3	$ 9,746.7	$ 1,500.0	$ 34,367.0
Salary and Medicare Increase (2.0%)	340.8	194.9	-	535.7
Recruit/Retain Critical Faculty and Staff	260.0	-	-	260.0
FY 2004 Recommendation	$ 23,721.1	$ 9,792.4	$ 1,500.0	$ 35,013.5
$ Change	$ 600.8	$ 45.7	$	$ 646.5
% Change	2.6 %	0.5 %	%	1.9 %

Sources of Funds	
General Revenue Fund	18,624.1
Education Assistance Fund	5,097.0
University Income Fund	9,792.4
Other Funds	1,500.0
Total Funds	$ 35,013.5

UNIVERSITY OF ILLINOIS AT URBANA/CHAMPAIGN

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds		University Income Funds		Total	
FY 2003 Operations	$ 315,997.7		$ 203,875.2		$ 519,872.9	
Salary and Medicare Increase (2.0%)	3,763.9		4,077.5		7,841.4	
Recruit/Retain Critical Faculty and Staff	3,880.0		-		3,880.0	
Strengthening the Academic Base	-		4,500.0		4,500.0	
Academic Programs (General)	-		3,964.5		3,964.5	
FY 2004 Recommendation	$ 323,641.6		$ 216,417.2		$ 540,058.8	
$ Change	$ 7,643.9		$ 12,542.0		$ 20,185.9	
% Change	2.4	%	6.2	%	3.9	%

Sources of Funds	
General Revenue Fund	281,028.5
Education Assistance Fund	42,613.1
University Income Fund	216,417.2
Real Estate Research and Education Fund	-
Total Funds	$ 540,058.8

UNIVERSITY OF ILLINOIS
UNIVERSITY ADMINISTRATION

FY 2004 OPERATIONS RECOMMENDATION
(in thousands of dollars)

	General Funds	University Income Funds	Fire Prevention Fund	Total
FY 2003 Operations	$ 82,552.6	$ 3,100.0	$ 2,190.9	$ 87,843.5
Salary and Medicare Increase (2.0%)	1,018.4	62.0	-	1,080.4
Recruit/Retain Critical Faculty and Staff	540.0	-	-	540.0
Increase in Fire Prevention Fund	-	-	217.1	217.1
Income Fund Adjustment	-	(62.0)	-	(62.0)
FY 2004 Recommendation	$ 84,111.0	$ 3,100.0	$ 2,408.0	$ 89,619.0
$ Change	$ 1,558.4	$ -	217.1	$ 1,775.5
% Change	1.9 %	- %	9.9	2.0 %
Sources of Funds				
General Revenue Fund				80,007.1
Education Assistance Fund				4,103.9
University Income Fund				3,100.0
Fire Prevention Fund				2,408.0
Total Funds				$ 89,619.0

IV. COMMUNITY COLLEGES

Illinois' 48 community colleges enrolled over 354,700 students in fall term 2002, an increase of 4.6 percent over fall term 2001. This growth rate well exceeds that experienced by the community college system in recent years, in large part due to the current economic downturn. More than 38,400 individuals received an associate's degree or certificate from an Illinois community college in 2000-01, enabling these graduates to move directly into business and industry or go on to a four-year institution to complete a baccalaureate degree. Illinois community colleges also enroll significant numbers of individuals in non-credit courses (313,100 students in fiscal year 2001).

Results of Economic Impact Study

A recent study commissioned by the Illinois Community College System, the Illinois Community College Board (ICCB), and the Illinois Community College Trustees Association, documents the value and the return on the investment of a community college education. This report, *The Socioeconomic Benefits Generated by 39 Community College Districts in Illinois,* shows that an associate's degree can add $345,300 in additional income over the course of a career. In addition to the value provided to the community college student, the taxpayers and the economy of the state also benefit from investment in a community college education. Approximately 95 percent of community college students stay in Illinois and contribute to the state's economy, improving the tax base by generating higher earnings and expanding the workforce skills base, important elements in attracting new business to Illinois.

Funding Study Task Force

A system-wide task force was formed in December 2001 to study all aspects of the community college funding formula. The final report of the task force was presented to the ICCB on October 18, 2002, and recommended the following:

- Add additional requirements to qualify for equalization funding. These new criteria will require colleges to tax at 95 percent of the legal maximum operating rate of the Education and Operations and Maintenance Fund (including equity tax, if applicable) and charge tuition and standard fees at 85 percent of the statewide average. Those colleges not utilizing the equity tax authorization and not taxing at 95 percent of the maximum rate must make public notice of intent to levy the equity tax every five years. This recommendation will require legislative action and will be incorporated into the fiscal year 2005 budget request.

- Add criteria that would allow colleges that currently qualify for the Small College Grant to receive additional funding based on a combination of size and equalized assessed valuation.

- Avoid specific limitations on the ratio of restricted grant funding to total state grant funding.

- Continue further study on the concept of the current residual funding formula and the impact of the exclusion of restricted grant funds (excepting Department of Corrections flow-through funding) from the residual funding formula. The task force plans to continue study of this issue in January 2003.

Community College Operations and Grants

In fiscal year 2002, community colleges' general funds spending authority was reduced by $4.0 million. In fiscal year 2003, state general funds appropriations of $319.9 million represented a reduction of $13.8 million, or 4.1 percent, from fiscal year 2002 appropriations. Included in the fiscal year 2003 budget reductions was the elimination of an entire grant program, the Special Populations Grant, which provided special services to students with a social, developmental, physical, or academic disability and supported adult education and literacy programs.

Fiscal year 2004 recommendations for community college operations and grants total $356.8 million, an increase of $7.9 million, or 2.3 percent, over fiscal year 2003 appropriations. Included in these recommendations are $327.4 million in state general funds, an increase of $7.6 million, or 2.4 percent, over fiscal year 2003. Within these recommendations, an effort has been made to direct funds to non-restricted grant lines to give the local community college districts the maximum amount of flexibility in determining and responding to the unique needs of the individual district. As requested by the ICCB, several restricted grant areas (Workforce Development Grants, Advanced Technology Grants, and Deferred Maintenance Grants) are reduced substantially from fiscal year 2003 levels in order to provide available funds for reallocation to unrestricted grant areas. Table IV-1 summarizes the fiscal year 2004 recommendations for community college system grants and initiatives and the operation of the ICCB office.

Table IV-2 provides the calculations used to determine the fiscal year 2004 resource requirements. Fiscal year 2004 resource requirements included in these recommendations support apportionment enrollments of 202,790 full-time-equivalent students, an increase of 6,308 students from fiscal year 2003. The community college funding plan requires the inclusion of non-state revenues as sources of funding for community college resource requirements. Table IV-3 provides a summary of estimated fiscal year 2004 revenues, and Table IV-4 provides supporting calculations for local tax and tuition and fee revenue estimates. Table IV-5 provides the calculation of the credit hour allocation of Base Operating Grants by instructional funding category. Table IV-6 summarizes recommended grant allocations by district. By state statute, the ICCB makes the actual allocation of grants to districts. The district allocation presented in Table IV-6 was prepared by the ICCB at the funding levels recommended for community college grant programs by the Illinois Board of Higher Education. These amounts will change as final audited data are submitted to the ICCB. Funding recommendations for community college operations and grants are summarized below:

Base Operating Grants. Total funding of $200.0 million is recommended for fiscal year 2004 Base Operating Grants, an increase of $8.1 million, or 4.2 percent, over fiscal year 2003 appropriations. Base Operating Grants are unrestricted funds and are used for operational support and for specific priorities as determined by each local district. These grants are calculated based upon two factors: the major portion of this grant, $197.7 million, is allocated based upon credit hour enrollment within six instructional categories, while a smaller portion, $2.3 million, is allocated based upon the total gross square footage of the district's facilities. Base Operating Grants are calculated using a residual formula that takes into account cost and salary needs projected from historical cost data and revenue available to meet these needs through other sources such as local property taxes, student tuition and fees, other state grant funding, federal funds, and miscellaneous local revenues. Salary increases of two percent for base salaries are recommended, along with two percent increases for Medicare and Social

Security. Also included in the recommendation is an additional one percent for Recruiting and Retaining Critical Faculty and Staff.

Small College Grants. Small College Grants are distributed to districts with enrollments of less than 2,500 full-time-equivalent students, excluding students in correctional institutions. This grant has remained at $60,000 per qualifying district for several years. Fifteen districts qualify for this grant, for a total fiscal year 2004 recommendation of $900,000, the same level as fiscal year 2003.

Equalization Grants. Funds totaling $84.8 million are included in the fiscal year 2004 budget recommendations for Equalization Grants, an increase of $8.1 million, or 10.6 percent over fiscal year 2003. Equalization Grants are provided to address the variation in local tax wealth among the community college districts by allocating supplemental funds per student to those districts that fall below a statewide average threshold of local tax revenue per full-time-equivalent student. Within the state of Illinois, local tax revenue per student ranges from $641 at Southeastern Illinois College to $6,072 at the College of Lake County, a difference of $5,431 per full-time-equivalent student. Past levels of appropriations have not provided for funding at 100 percent of the statewide average threshold of local revenue per student, and attempts have been made over the past several years to address this base level of support per student by placing a high priority on Equalization Grants in budget recommendations in order to achieve full funding of the equalization threshold. Fiscal year 2003 appropriations provided funding at approximately 98 percent of the threshold. This year's budget recommendation of $84.8 million is expected to provide funding at 98.5 percent of the calculated statewide average threshold.

Minimum Adjustment Grant. Funding totaling $1.6 million is recommended for districts that will experience a decrease in community college formula funding between fiscal year 2003 and fiscal year 2004 recommended levels. The intent of these grants is to minimize the impact of formula-driven decreases on districts' operating budgets. Twelve districts would receive additional monies based on their proportionate share of formula-driven decreases.

Student Success Grants. This grant program, newly titled the Student Success Grant, is a combination of the community college system's P-16/Accelerated College Enrollment Initiative and the former Special Populations Grant. Total funding of $12.1 million is recommended for fiscal year 2004 for Student Success Grants. Descriptions of the two components follow:

- A total of $11.3 million for Special Population Grants is included in the fiscal year 2004 budget recommendations. Funding for the Special Populations Grant for fiscal year 2003 was eliminated during the spring legislative session by the General Assembly. A total of $13.3 million was appropriated in fiscal year 2002 for these grants. Special Population Grant funds support districts in their efforts to provide special or extra services to assist special populations students to initiate, continue, or resume their education and to provide the skills necessary to remedy or correct educational deficiencies. Special populations students include those students with a social, developmental, physical, or academic disability. Funds also are used to expand adult education and literacy programs. Funds are distributed through a $20,000 base grant per college with the remaining allocation based on adult basic, adult secondary, English as a Second Language, and remedial credit hours.

- P-16 Initiative/Accelerated College Enrollment Grant funding of $782,200 is recommended for fiscal year 2004. These grants are provided to allow community colleges to continue to expand their services to high school students desiring to take college-level classes while still in high school. This grant subsidizes the cost to the college for offering courses to high school students without charging tuition and fees. P-16 funds also provide for the creation and expansion of teacher preparation and professional development programs and services. The total recommended for fiscal year 2004 represents a decrease of $496,800 from fiscal year 2003 appropriations. Funds for this initiative are distributed to districts based on the number of junior and senior high school students in the district, with a minimum grant of $12,500 per district.

Workforce Development Grants. A total of $10.1 million is recommended for fiscal year 2004 grants supporting workforce development, a decrease of $6.4 million, or 38.8 percent, from fiscal year 2003 appropriations. Workforce Development grants support activities in four separate areas, including Current Workforce Training, Business and Industry Services, Education to Careers, and Welfare-to-Work. Local districts can transfer up to one-half of the total allocation from any of these components into another area to specifically address the workforce needs of the local district. Descriptions of the four components follow:

- Current Workforce Training Grants are designed to assist colleges to be more competitive in providing noncredit training for existing employees at local businesses and industries by allowing colleges to charge direct training costs to this grant, thus reducing the cost to the local business. A total of $2.6 million is recommended for fiscal year 2004, a decrease of $1.7 million, or 38.8 percent from fiscal year 2003. Grants are distributed on the basis of the number of district residents in the labor force that currently are employed, with a minimum grant of $30,000 to each district.

- Business and Industry Services Grants provide funding for a business and industry center and help support involvement with state and local economic development efforts. A total of $3.3 million is recommended for fiscal year 2004, a decrease of $2.1 million, or 38.8 percent, from fiscal year 2003. A base grant of $35,000 is distributed to each district, with the remaining funds allocated on the basis of occupational and vocational credit hours.

- A total of $2.2 million is recommended for the Education to Careers Grant, a decrease of $1.4 million, or 38.8 percent. These funds are used for the development of a fully integrated education/employment system to ensure that students move easily from education to work and from work to continuing education. A base grant of $45,000 is distributed to each district, with the remaining funds allocated proportionately based on the number of district residents in the labor force and the unemployment rate of the district.

- A Welfare to Work Grant of $2.0 million, a decrease of $1.3 million, is recommended to supplement existing federal funds and to provide employment training and job placement services to welfare clients and the working poor at each community college. These funds are distributed through a base grant of $35,000 per district with the remaining allocation based on the number of welfare caseloads in the district.

Advanced Technology Grants. Fiscal year 2004 budget recommendations include $7.6 million for the Advanced Technology Grant program, a decrease of $4.8 million, or 38.8 percent, from fiscal year 2003, and are comprised of the following components: Illinois Community Colleges Online, Advanced Technology Equipment Grants, Advanced Technology Support Grants, and Staff Technical Skills Enhancement Grants. Local districts can transfer up to one-half of the total allocation from any of these components into another area to specifically address the needs of the local district. The four components are described below:

- A total of $286,950 is recommended for Illinois Community College Online, a decrease of $182,050, or 38.8 percent, from fiscal year 2003 appropriations. These funds assist all community colleges in maintaining the necessary student support services for the Illinois Community Colleges Online and the Illinois Virtual Campus activities. A flat grant of $7,358 is distributed to each community college district to provide these support services.

- A total of $3.1 million is included in the fiscal year 2004 recommendations for Advanced Technology Instructional Equipment Grants to allow colleges continually to upgrade and purchase new specialized instructional equipment and to purchase new computer hardware and software for instructional and student use. This represents a decrease of $1.9 million, or 38.8 percent, from the fiscal year 2003 level. Funds are distributed based on the number of occupational and vocational credit hours generated by each district.

- Fiscal year 2004 funding recommendations for Advanced Technology Support Grants total $3.2 million, a decrease of $2.0 million, or 38.8 percent, from fiscal year 2003 appropriations. These funds are used to purchase equipment and upgrade computer laboratories as well as for technology infrastructure, transmission, and maintenance costs. Funding is provided through a base grant of $50,000 for each district and the remaining funds are distributed based upon the number of square miles of the district, the number of market service delivery areas within the regional consortia, and the annual student headcount of the district.

- These recommendations include $1.1 million for Staff Technical Skills Enhancement Grants, a decrease of $704,100, or 38.8 percent. Faculty and staff receive training in the utilization of computers, computer systems, computerized machinery, and instructional technologies with funds provided through this grant. Staff Technical Skills Enhancement funds are distributed based on the number of faculty and staff FTE employed by the district.

Deferred Maintenance Grants. A total of $2.5 million is included in the fiscal year 2004 budget recommendations to address the backlog of deferred maintenance projects on community college campuses. This funding level represents a decrease of $484,600, or 16.2 percent, from fiscal year 2003 funding levels. These grants aid community colleges in addressing the backlog of accumulated maintenance projects that are not covered by capital renewal or protection, health and safety funding. Deferred Maintenance Grants are allocated based on the weighted gross square footage of the colleges.

Retirees Health Insurance Grants. Funding of $626,600 is recommended for the retirees health insurance program for fiscal year 2004, the same level appropriated in fiscal year 2003. Only employees of the City Colleges of Chicago participate in this program. All other community college districts are eligible to participate in the College Insurance Program administered by the Department of Central Management Services. The appropriation for this statewide program is made to the State Universities Retirement System.

Lincoln's Challenge Grants. Funds of $120,100 are included in the fiscal year 2004 budget recommendations to provide scholarships for at-risk youth who choose to attend a community college. This level of funding is the same as the fiscal year 2003 appropriation.

East St. Louis Higher Education Center. A total of $2.1 million is recommended for programs offered at the East St. Louis Higher Education Center in fiscal year 2004. This level of funding is the same as the fiscal year 2003 appropriation.

Designated Grants. In fiscal year 2003, the General Assembly targeted an additional $12.0 million in operating support to the City Colleges of Chicago and downstate community colleges. These funds were comprised of unrestricted grants for "educationally-related expenses" totaling $5.0 million to downstate colleges; $5.0 million in unrestricted grants for "educationally-related expenses" to the City Colleges of Chicago; and $2.0 million to the City Colleges of Chicago for a major computer systems software upgrade (CORE Program). Fiscal year 2004 recommendations include $2.0 million for continuation of the computer systems software upgrade and $600,000 in unrestricted grant funding for the City Colleges of Chicago.

Illinois Community College Board

A total of $2.5 million in state general funds is recommended for ICCB office operations, an increase of $49,000 or 2.0 percent. The recommendation includes funds for an average two percent salary increase, a two percent increase for Medicare and Social Security, and funds for recruiting and retaining critical staff.

Federal funding of $2.5 million is included in the ICCB office operations budget for costs associated with the administrative and governance functions of the statewide adult education programs. In addition, federal funds totaling $1.0 million are included for administrative costs associated with the administration of postsecondary career and technical education programs. Administration of these programs was transferred during fiscal year 2003 from the Illinois State Board of Education to the ICCB.

FY2004 RECOMMENDATIONS
COMMUNITY COLLEGE OPERATIONS AND GRANTS

(in thousands of dollars)

	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
GRANTS TO COLLEGES					
Unrestricted Grants to Colleges	$ 281,354.6	$ 303,549.3	$ 289,769.6	$ 8,415.0	3.0 %
Base Operating Grants	191,837.1	199,969.6	199,969.6	8,132.5	4.2
Grants to Downstate Community College Districts	5,000.0	5,000.0	-	(5,000.0)	(100.0)
Grants to City Colleges of Chicago	7,000.0	7,000.0	2,600.0	(4,400.0)	(62.9)
Small College Grants	900.0	900.0	900.0	-	-
Equalization - Threshold Grants	76,617.5	84,750.0	84,750.0	8,132.5	10.6
Minimum Adjustment Grant	-	5,929.7	1,550.0	1,550.0	-
Restricted Grants to Colleges	33,820.0	32,924.1	32,924.1	(895.9)	(2.6)
Workforce Development Grants	16,473.0	10,085.8	10,085.8	(6,387.2)	(38.8)
Advanced Technology Grants	12,456.8	7,621.5	7,621.5	(4,835.3)	(38.8)
Deferred Maintenance Grants	2,984.6	2,500.0	2,500.0	(484.6)	(16.2)
Student Success Grant (P-16 and Spec. Pops.)	1,279.0	12,090.2	12,090.2	10,811.2	845.3
Retirees Health Insurance Grants	626.6	626.6	626.6	-	-
Other Grants and Initiatives	2,209.2	2,709.2	2,209.2	-	-
Special Initiatives Grants	-	500.0	-	-	-
Lincoln's Challenge Scholarships	120.1	120.1	120.1	-	-
East St. Louis Higher Education Center	2,089.1	2,089.1	2,089.1	-	-
Total - College Grants and Initiatives	**$ 317,383.8**	**$ 339,182.6**	**$ 324,902.9**	**$ 7,519.1**	**2.4 %**
ILLINOIS COMMUNITY COLLEGE BOARD OPERATIONS	$ 2,468.4	$ 2,591.8	$ 2,517.4	$ 49.0	2.0 %
Office Administration	2,468.4	2,591.8	2,517.4	49.0	2.0
ICCB Adult Education Administration	2,500.0	2,500.0	2,500.0	-	-
ICCB Video Conferencing Fund	10.0	10.0	10.0	-	-
ICCB Contracts & Grants Fund	25,000.0	25,000.0	25,000.0	-	-
AFDC/Opportunities Fund	910.0	890.0	890.0	(20.0)	(2.2)
ICCB Career and Technical Education Fund	625.0	1,010.0	1,010.0	385.0	61.6
Total - Illinois Community College Board	**$ 31,513.4**	**$ 32,001.8**	**$ 31,927.4**	**$ 414.0**	**1.3 %**
GRAND TOTAL -- ILLINOIS COMMUNITY COLLEGE SYSTEM	**$ 348,897.2**	**$ 371,184.4**	**$ 356,830.3**	**$ 7,933.1**	**2.3 %**
Source of Appropriated Funds					
General Funds	$ 319,852.2	$ 341,774.4	$ 327,420.3	$ 7,568.1	2.4 %
General Revenue Fund	279,185.1	301,107.3	286,753.2	7,568.1	2.7
Education Assistance Fund	40,667.1	40,667.1	40,667.1	-	-
ICCB Adult Education Fund	2,500.0	2,500.0	2,500.0	-	-
ICCB Video Conferencing Fund	10.0	10.0	10.0	-	-
ICCB Contracts and Grants Fund	25,000.0	25,000.0	25,000.0	-	-
AFDC/Opportunities Fund	910.0	890.0	890.0	(20.0)	(2.2)
ICCB Career and Technical Education Fund	625.0	1,010.0	1,010.0	385.0	61.6

Table IV - 2

FY2004 RECOMMENDATIONS
CALCULATION OF TOTAL RESOURCE REQUIREMENTS
FOR ILLINOIS COMMUNITY COLLEGES

	Percentage of Total Costs	FY2004 Cost Increases	FY2004 Resource Requirements
Cost Factors			
Staff Compensation	62.49 %	3.0 % *	
Employee Benefits	10.42	-	
Utilities	3.16	-	
Library Materials	0.51	-	
General Costs	23.42	-	
FY2004 Weighted Cost Increase		1.0178	
FY2003 Weighted Cost Increase		x 1.0176	
Two-Year Cost Increase		1.0357	
Instructional Costs			
FY2002 Unit Cost			$ 189.57
Two-Year Cost Increase			x 1.0357
FY2004 Unit Cost			$ 196.34
FY2004 Budgeted Credit Hours			x 6,083,691
FY2004 Instructional Costs			$ 1,194,471,891
Adjustments to Instructional Resource Requirements			
Special Populations Grants Adjustment			$ (2,137,665)
Advanced Technology Grants Adjustment			(7,190,046)
Workforce Development Grants Adjustment			(9,501,669)
Deferred Maintenance Grants			(1,049,033)
Small College Grants Adjustment			(32,130)
Retirees Health Insurance Grants Adjustment			(118,690)
P-16/Accelerated College Enrollment Grants			(738,829)
Rate Support			40,794,654
Total Adjustments			$ 20,026,592
FY2004 Total Resource Requirements for Instruction			$ 1,214,602,822 **
Public Service Costs			
FY2002 Public Service Expenditures			$ 148,752,625
Two-Year Cost Increase			x 1.0357
FY2004 Total Resource Requirements for Public Service			$ 154,063,094
FY2004 Total Resource Requirements			$ 1,368,665,916

* Calculated on 95 percent of the Personal Services Base. Includes 2.0 percent for base salary increases and 1.0 percent for Recruiting/Retaining Critical Faculty and Staff.

** Includes $104,339 rounding adjustment.

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Table IV - 3

FY2004 RECOMMENDATIONS
REVENUE SOURCES FOR ILLINOIS COMMUNITY COLLEGES

	Instruction	Support Per Credit Hour	Public Service	Total
Tax Contribution From Local Sources	$ 428,212,610	$ 70.39	$ 19,236,865	$ 447,449,475
Tax Contribution From Equalization Grants	81,106,406	13.33	3,643,594	84,750,000
Corporate Personal Property Replacement Tax	34,935,948	5.74	-	34,935,948
Tuition and Fees	281,752,141	46.31	-	281,752,141
Miscellaneous Federal, State, and Local Revenues	94,022,707	15.45	131,182,635	225,205,342
SBE DAVTE Grants	25,237,252	4.15	-	25,237,252
Adult Education Grants	35,542,058	5.84	-	35,542,058
Student Success Grants	12,090,200	1.99	-	12,090,200
Workforce Development Grants	10,085,800	1.66	-	10,085,800
Advanced Technology Grants	7,621,500	1.25	-	7,621,500
Retirees Health Insurance Grants	626,600	0.10	-	626,600
Deferred Maintenance Grants	2,500,000	0.41	-	2,500,000
Small College Funding	900,000	0.15	-	900,000
Credit Hour Grants	199,969,600	32.87	-	199,969,600
Total	$ 1,214,602,822	$ 199.65	$ 154,063,094	$ 1,368,665,916

Table IV - 4

FY2004 RECOMMENDATIONS CALCULATION OF THE STANDARD LOCAL CONTRIBUTION FROM TAXES AND TUITION FOR ILLINOIS COMMUNITY COLLEGES

Local Tax Contribution		
Average 2002/2003 EAV (Base for FY2004 Local Tax Revenue)	$	231,932,249,463
Weighted Average Tax Rate	x	0.002326
Tax Extension	$	539,474,412
Less Equalization Funding	-	84,749,336
	$	454,725,076
Tax Collection Losses	-	7,275,601
Total Standard Local Tax Contribution	$	447,449,475
Tuition and Fee Contribution		
FY2004 Tuition and Fee Rate Per Credit Hour	$	56.35
FY2004 Budgeted Student Credit Hours (Non ABE/ASE)	x	5,000,038
Total Standard Tuition and Fee Revenue	$	281,752,141
FY2004 Standard Credit Hours (Greater of FY2002 or FY2000/02 Average)		6,083,691
FY2004 Standard Tuition and Fee Rate	$	46.31

Table IV - 5

FY2004 RECOMMENDATIONS
BASE OPERATING GRANTS BY CATEGORY
FOR ILLINOIS COMMUNITY COLLEGES

	Baccalaureate	Business Occupational	Technical Occupational	Health Occupational	Remedial/ Developmental	Adult Basic/ Secondary	Total
Unit Cost							
FY2002 Unit Cost	$ 187.18	$ 197.48	$ 222.25	$ 261.76	$ 178.11	$ 153.04	$ 189.57
Two-Year Cost Increase	1.0357 %	1.0357 %	1.0357 %	1.0357 %	1.0357 %	1.0357 %	1.0357 %
FY2004 Unit Cost	$ 193.86	$ 204.53	$ 230.18	$ 271.10	$ 184.47	$ 158.50	$ 196.34
Rate Support	10.39	6.38	1.04	3.91	9.69	-	6.71
Reallocation for Square Footage Grants	(0.39)	(0.26)	(0.45)	(0.89)	(0.29)	(0.18)	(0.37)
FY2004 Adjusted Unit Cost	$ 203.86	$ 210.65	$ 230.77	$ 274.12	$ 193.87	$ 158.32	$ 202.68
Sources of Funding							
Tuition and Fees	$ 56.26	$ 56.26	$ 56.26	$ 56.26	$ 56.26	-	$ 46.31
Standard Local Contribution	89.46	89.46	89.46	89.46	89.46	$ 89.46	89.46
Vocational and Adult Education Grants	-	16.88	16.88	16.88	-	33.05	9.99
Other Revenues	24.10	25.42	28.61	33.69	22.93	19.72	24.43
Total Other Sources of Funding	$ 169.82	$ 188.02	$ 191.21	$ 196.29	$ 168.65	$ 142.23	$ 170.19
FY2004 Credit Hour Rates	$ 34.04	$ 22.63	$ 39.56	$ 77.83	$ 25.22	$ 16.09	$ 32.49

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Table IV - 6

FY2004 RECOMMENDATIONS
ILLINOIS COMMUNITY COLLEGE GRANTS

District Name	FY2003 Grants	FY2004 Recommendations	FY2003 to FY2004 Dollar Change	FY2003 to FY2004 Percent Change
Black Hawk	$ 10,549,774	$ 11,045,680	$ 495,906	4.7 %
Chicago	51,829,279	47,563,574	(4,265,705)	(8.2)
Danville	3,816,895	3,881,538	64,643	1.7
DuPage	16,956,108	17,248,042	291,934	1.7
Elgin	6,102,999	5,925,190	(177,809)	(2.9)
Harper	8,919,659	8,926,545	6,886	0.1
Heartland	3,047,110	3,067,455	20,345	0.7
Highland	3,606,125	3,416,067	(190,058)	(5.3)
Illinois Central	11,394,346	11,083,958	(310,388)	(2.7)
Illinois Eastern	13,750,578	13,834,401	83,823	0.6
Illinois Valley	3,838,273	3,737,030	(101,243)	(2.6)
Joliet	7,622,114	7,757,378	135,264	1.8
Kankakee	6,129,025	6,032,423	(96,602)	(1.6)
Kaskaskia	5,826,311	6,623,351	797,040	13.7
Kishwaukee	3,992,103	4,668,047	675,944	16.9
Lake County	7,653,533	7,833,412	179,879	2.4
Lake Land	9,298,438	9,956,247	657,809	7.1
Lewis and Clark	6,632,000	6,648,795	16,795	0.3
Lincoln Land	5,860,273	5,669,832	(190,441)	(3.2)
Logan	12,469,486	12,388,336	(81,150)	(0.7)
McHenry	3,744,416	3,702,303	(42,113)	(1.1)
Moraine Valley	10,460,902	11,434,328	973,426	9.3
Morton	4,005,642	4,551,786	546,144	13.6
Oakton	8,010,832	8,535,274	524,442	6.5
Parkland	7,641,597	8,355,366	713,769	9.3
Prairie State	4,374,290	4,219,738	(154,552)	(3.5)
Rend Lake	6,476,623	6,870,267	393,644	6.1
Richland	3,182,985	3,580,928	397,943	12.5
Rock Valley	5,619,039	7,547,809	1,928,770	34.3
Carl Sandburg	4,162,121	4,430,521	268,400	6.4
Sauk Valley	2,892,188	3,842,246	950,058	32.8
Shawnee	4,543,583	5,188,107	644,524	14.2
South Suburban	7,585,970	8,281,321	695,351	9.2
Southeastern	5,888.580	5,763,539	(125,041)	(2.1)
Southwestern	16,951,383	18,028,613	1,077,230	6.4
Spoon River	2,458,762	2,440,516	(18,246)	(0.7)
Triton	10,053,115	10,281,223	228,108	2.3
Waubonsee	4,590,378	4,972,240	381,862	8.3
John Wood	3,236,987	3,356,449	119,462	3.7
Subtotal	$ 315,173,822	$ 322,689,875	$ 7,516,053	2.4 %
Other Grants				
			$ -	- %
Lincoln's Challenge	120,100	120,100	-	-
East St. Louis Higher Ed. Center	2,089,100	2,089,100	-	-
Subtotal	$ 2,209,200	$ 2,209,200	$ -	- %
Rounding Adjustments	778	3,825	3,047	-
Total	$ 317,383,800	$ 324,902,900	$ 7,519,100	2.4 %

Note: Above grant allocations provided by the Illinois Community College Board. Final allocations may vary.

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V. ADULT EDUCATION AND POSTSECONDARY CAREER AND TECHNICAL EDUCATION

Table V-1 summarizes fiscal year 2004 budget recommendations for Adult Education Grants and Postsecondary Career and Technical Education Grants. The components of each are described below:

Adult Education Grants. Adult education programs provide instruction to people 16 years of age and older who are no longer enrolled in school and who lack the basic skills necessary for employment or further education or training. These programs include adult basic education, adult secondary education, and English as a Second Language and are offered by community colleges, public schools, community-based organizations, regional offices of education, correctional institutions, and one public university. These programs are intended to provide higher levels of literacy in reading, writing, and mathematics to prepare students for employment and advancement in the workforce and to provide basic education and English as a Second Language to the state's growing international population.

In fiscal year 2003, the adult education system in Illinois lost over $4.0 million, or 12.2 percent, in funding from the previous fiscal year. While funding increased by $9.0 million in fiscal year 2002 in conjunction with the transfer of governance of adult education programs from the Illinois State Board of Education to the Illinois Community College Board, the decrease in fiscal year 2003 has impacted programs and services available to the growing adult education population in Illinois. Among community college adult education providers, staff reductions of approximately 26 full-time and 51 part-time employees occurred in fiscal year 2003. Among other providers of adult education, approximately 21 full-time and 47 part-time staff reductions occurred. In addition, over 6,000 students in Illinois are now on waiting lists for adult education courses.

Specific needs of the adult education and family literacy system in Illinois have been identified and analyzed by the Adult Education Advisory Council, the Illinois Adult Continuing Educators Association, and the Illinois Community College Board. Several noteworthy facts follow:

- Higher levels of literacy in reading, writing, and mathematics are required for employment that pays a self-sufficient wage and are necessary to position an individual for further advancement.

- Illinois is projected to experience the fifth largest net international migration gain between 1995 and 2025 of all states, representing an increase of approximately one million people. The majority of these people will need English as a Second Language (ESL); however, opportunities for ESL education are not sufficient to meet the current level of need in Illinois.

- Many of the 107 adult education programs in Illinois have experienced a decline in staffing. As a result, some of these programs no longer employ any full-time staff and continue to expand their use of part-time instructional and support staff.

- Many programs have waiting lists for classes or cannot locate classroom space because they cannot afford instructors.

- Adult education needs to incorporate technology and on-line learning as an instructional delivery system for individuals interested in studying for the GED in their own homes.

The fiscal year 2004 general funds recommendation for adult education programs in Illinois totals $35.3 million, an increase of $1.1 million, or 3.2 percent over fiscal year 2003 appropriations. The general funds recommendation is comprised of three components: State Basic Grants which are general funds used in support of all aspects of adult education programs, Public Aid Grants which are specifically targeted for instruction and services to public aid recipients, and Performance Based Grants which are unrestricted funds allocated to adult education providers based upon a series of outcome measures. These measures include secondary completions (GED and high school), level gains (improved academic progress), test score gains, persistence, and public aid reductions.

The federally funded component of the adult education program is expected to increase from $25.6 million in fiscal year 2003 to $29.0 million in fiscal year 2004, bringing total funding for adult education programs to $64.3 million, an increase of 7.5 percent over fiscal year 2003 levels.

Postsecondary Career and Technical Education Grants. Beginning in fiscal year 2003, the Illinois Community College Board assumed administrative responsibility for several aspects of postsecondary career and technical education programs formerly administered by the Illinois State Board of Education. These programs include State Program Improvement Grants, which support improvements in programs related to instructional equipment, staff development, curriculum development, and academic/technical integration needs; and State Vocational Education Grants which reimburse community colleges, based on technical/occupational credit hours generated, for costs associated with providing career and technical education programs. Fiscal year 2003 state general funds for these programs were appropriated to the Illinois State Board of Education, and the Illinois Community College Board currently is operating under a contractual agreement to administer the programs.

The amount of the contractual agreement involving state general funds in fiscal year 2003 totals $10.0 million. It is recommended that for fiscal year 2004, a total of $10.2 million in state general funds be appropriated to the Illinois Community College Board for postsecondary career and technical education grants. This represents an increase of $200,800, or 2.0 percent, over the amount of the fiscal year 2003 contract.

In fiscal year 2003, federal funds of $17.6 million were appropriated to the Illinois Community College Board in support of postsecondary career and technical education programs. Federal funding is expected to decrease to $17.1 million in fiscal year 2004.

Table V - I

FY2004 RECOMMENDATIONS
ADULT EDUCATION AND POSTSECONDARY CAREER AND TECHNICAL EDUCATION

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Adult Education	$ 59,859.5	$ 67,752.6	$ 64,341.4	$ 4,481.9	7.5 %
General Funds	34,243.5	38,755.3	35,344.1	1,100.6	3.2
Basic Grants	15,829.6	18,543.0	16,491.5	661.9	4.2
Public Aid Grants	7,922.1	7,922.1	7,922.1	-	-
Performance Based Grants	10,491.8	12,290.2	10,930.5	438.7	4.2
Federal Adult Education Grants	25,616.0	28,997.3	28,997.3	3,381.3	13.2
Postsecondary Career and Technical Education	$ 27,589.5	$ 27,862.3	$ 27,360.3	$ (229.2)	(0.8) %
General Funds	10,039.5	10,742.3	10,240.3	200.8	2.0
Career and Technical Education Programs	10,039.5 *	10,742.3	10,240.3	200.8	2.0
Federal Funds	17,550.0	17,120.0	17,120.0	(430.0)	(2.5)
Perkins Program Leadership Activities	1,550.0	-	-	(1,550.0)	(100.0)
Career and Technical Education Programs	16,000.0	17,120.0	17,120.0	1,120.0	7.0
Source of Appropriated Funds					
General Funds	$ 44,283.0	$ 49,497.6	$ 45,584.4	$ 1,301.4	2.9 %
General Revenue Fund	44,283.0	49,497.6	45,584.4	1,301.4	2.9
ICCB Adult Education Fund	25,616.0	28,997.3	28,997.3	3,381.3	13.2
ICCB Career and Technical Education Fund	17,550.0	17,120.0	17,120.0	(430.0)	(2.5)

*Fiscal year 2003 general funds were appropriated to the Illinois State Board of Education.

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VI. ILLINOIS STUDENT ASSISTANCE COMMISSION

Illinois historically has been considered a leader in the field of student financial aid, and has been recognized consistently for its commitment to affordability. *Measuring Up 2002*, the follow-up to the first national report card for higher education, ranks Illinois third among the 50 states in terms of affordability. Nevertheless, Illinois' overall grade for affordability dropped from an "A" in *Measuring Up 2000* to a "B" in 2002. Despite investments made on need-based programs in fiscal years 2000 through 2002, other states did more and improved their ranking on the national report card.

Not considered in the 2002 report card were fiscal year 2003 budget reductions and their impact on student financial aid in Illinois. For fiscal year 2003, funds for the state's Monetary Award Program (MAP) were reduced by more than $38 million, a 10.3 percent reduction from fiscal year 2002 appropriations. These cuts eliminated funding for fifth-year MAP recipients, and in all, 12,100 fewer students will receive a MAP grant this fiscal year. The MAP funding restrictions in fiscal year 2003 forced the Illinois Student Assistance Commission (ISAC) to impose a five percent reduction factor on all MAP awards, guaranteeing that no student will be eligible for full tuition and fees or the maximum award in fiscal year 2003, and effectively reducing purchasing power for MAP students to fiscal year 2001 levels. Several of our public universities will take extraordinary measures this fiscal year to assist needy students adversely affected by last-minute reductions in state financial aid. The University of Illinois will provide more than $17 million in supplemental grants for fiscal year 2003, providing one-time support to students who previously would have been eligible for a fifth-year MAP grant, and offsetting the difference between the state's MAP maximum award and tuition and fee charges for all full award students. Illinois State University and Southern Illinois University Carbondale also have initiated programs to assist students who previously would have been eligible for a fifth-year MAP grant, or who had their grants reduced by across-the-board formula cuts

Goal three of *The Illinois Commitment* states that "no Illinois citizen will be denied an opportunity for a college education because of financial need." Meeting this goal requires a combination of reasonable costs to students and a program of student financial aid that provides support for those least able to pay for college. In August 2002, the Illinois Board of Higher Education received a report that highlighted a number of disturbing trends including a growing "affordability gap" for Illinois students and an ever-increasing loan burden. The report found that these negative trends threaten our continued ability to provide access to, and choice among, higher education opportunities for Illinois students, leading the Board to establish a Committee on Affordability to conduct a comprehensive study of affordability-related policy issues in collaboration with the higher education community. The fiscal year 2004 recommendations for ISAC will help sustain the state's commitment to affordability by allocating a significant share of limited new resources in support of strong student financial aid programs.

Fiscal year 2004 general funds recommendations for grant programs and administration of ISAC total $420.5 million, an increase of $37.7 million, or 9.9 percent, over fiscal year 2003 appropriations. Recommendations for federal loan program administration and loan reimbursements and for other state and federal funds total $308.8 million, a decrease of $17.5 million, or 5.4 percent, from the fiscal year 2003 level. A summary of the fiscal year 2004 recommendations for the ISAC is provided on Table VI-1.

Monetary Award Program

The Monetary Award Program (MAP) provides grants on the basis of financial need to Illinois residents for undergraduate study in the state. The program is the fourth largest need-based program of its kind in the United States and provides annual awards of up to $4,968 to cover a student's tuition and fees at a public or private college or university located in Illinois. The typical MAP recipient in Illinois (fiscal year 2003 to date) has an average family income of $30,900 for a family of four. More than 50 percent are first generation college students, and approximately 30 percent are living below the federal poverty line. The fiscal year 2004 recommendation totals $373.4 million, an increase of $37.0 million, or 11.0 percent, over fiscal year 2003 appropriations. The recommended funding level will support awards for a projected 128,500 students, 100 fewer than estimated for fiscal year 2003, and 12,200 fewer than awarded in fiscal year 2002.

Funding for MAP comes from three sources: state general funds, the Monetary Award Program (MAP) Reserve Fund, and federal Leveraging Educational Assistance Partnership (LEAP) funds. For fiscal year 2003, general funds appropriations for the MAP were reduced by more than $38 million, a 10.3 percent reduction from fiscal year 2002 appropriations. The fiscal year 2003 MAP reduction was the largest in the program's history, the first in more than 20 years and just the second since ISAC was created in 1957. Fiscal year 2004 recommendations for MAP are $2.2 million, or 0.6 percent, below fiscal year 2002 appropriations. The following table provides a summary of fiscal year 2004 recommendations and fiscal year 2002 and 2003 appropriations by fund source.

Fund Source	FY2002	FY2003	FY2004
General Funds	$367,528,300	$329,522,800	$369,742,800
MAP Reserve Funds	5,000,000	3,177,000	0
Federal LEAP Funds	3,100,000	3,700,000	3,700,000
Total	$375,628,300	$336,399,800	$373,442,800

State general funds will be the sole source for incremental MAP increases in fiscal year 2004, with the $369.7 million general funds recommendation representing an increase of $40.2 million, or 12.2 percent, over fiscal year 2003 appropriations. Public Act 89-0330 established the MAP Reserve Fund in 1995, and until fiscal year 2002, the fund served as a largely untapped resource for the program. Transfers to the MAP Reserve Fund are made possible when general funds appropriations exceed total resource requirements, allowing ISAC to set aside limited amounts of reserve funding. By statute, balances in the fund are limited to two percent of the annual MAP appropriation, and monies may be used only for MAP grants. ISAC used $3.4 million of appropriations provided from the Reserve Fund to support MAP volume in fiscal year 2002, and the remaining $3.2 million balance in the Fund will be utilized over the course of fiscal year 2003, leaving no resources available for fiscal year 2004. In past years, annual allocations of Reserve Fund resources have been made available to meet resource requirements of MAP. The fiscal year 2004 recommendations include no such allocation from the MAP Reserve Fund.

While general funds appropriations for the MAP increased by $187.7 million, or 104.3 percent, from fiscal year 1992 to fiscal year 2002, program reductions enacted for fiscal year 2003 will temper the gains realized over that period. Some programmatic enhancements realized over the past decade remain, including eligibility for students attending proprietary institutions and for students enrolled on a part-time basis. But the fiscal year 2003 formula includes no funding for fifth-year students who were previously eligible for a MAP grant or for students attending summer school, and the extended application processing deadlines for new and continuing students have been all but eroded. The MAP funding base will no longer support an expanding base of eligible recipients: the number of awards projected for fiscal year 2003 is 128,600, or 12,100 below the fiscal year 2002 level, and these fiscal year 2004 recommendations will support a still lower estimate of 128,500 awards.

The fiscal year 2004 recommendations for MAP reflect two broad priorities: 1) regaining college affordability lost in fiscal year 2003; and 2) keeping pace with current tuition and fees. No funds are recommended for restoration of fifth-year MAP eligibility, and no funds are included to address increasing volume. The recommendations assume incorporation of the fiscal year 2002-2003 Pell Grant awards table, an action that will free an estimated $6.1 million in resources for program needs in fiscal year 2004. Incremental funds for the following components are included in the recommendation.

Award Reduction Factor. Funds are recommended to remove the five percent reduction factor that was imposed for fiscal year 2003. In short, the fiscal year 2003 "re-compute" formula approved by the Commission after budget parameters had been set last June opted to reduce all MAP awards by 5 percent. Savings from that action were applied to a two-week extension (through mid-August) for award announcements, allowing an additional 8,000 (estimated) students to access the program. As recently as fiscal year 2001, ISAC was able to announce awards through December 31st, and in fiscal year 2002 award announcements were suspended as of October 27th, but later re-opened to accommodate an additional 10,000 students who had applied through December 2002. Imposition of the 5.0 percent reduction factor in fiscal year 2003 guarantees that no student will be eligible for full tuition and fees or the maximum award this fiscal year, and it effectively reduces purchasing power for MAP students to fiscal year 2001 levels.

Fiscal Year 2003 Tuition and Fees. The fiscal year 2004 recommendations include funds to fully recognize actual 2002-2003 tuition and fee levels in the MAP formula. In fiscal year 2003, awards were based on the 2001-2002 tuition and fee schedule, with a 5.0 percent across-the-board reduction applied to the resulting award for each student. The actual increase in tuition and fees averaged nearly 7.0 percent across all sectors for fiscal year 2003.

Maximum Award. Funds are included to support an increase of $198, from $4,968 to $5,166, in the MAP maximum award. Illinois Board of Higher Education policy recommends annual increases in the maximum award to be consistent with increases in tuition and fees, thus ensuring a consistent level of support for maximum award recipients. The fiscal year 2004 budget recommendations fall short of that goal, recommending an increase of just 4.0 percent in the maximum award while recognizing tuition and fee increases of 7.0 and 3.0 percent respectively for fiscal years 2003 and 2004. Increases in the maximum award historically have been perceived to benefit recipients at high cost private institutions; however, four public universities (the University of Illinois at Urbana-Champaign, the University of Illinois at Chicago, Northern Illinois University and Illinois State University) currently set tuition and fees above the $4,968 maximum award level. The Illinois Student Assistance Commission estimates that more than 50 percent of MAP recipients at public universities currently incur tuition and fee charges that exceed the maximum award.

Fiscal Year	Maximum Award	Dollar Increase	Percent Increase
2001	$4,740	$210	4.6%
2002	4,968	228	4.8
2003	4,968	0	0.0
2004*	5,166	198	4.0

*Recommended

Fiscal Year 2004 Tuition and Fees. The fiscal year 2004 recommendations include funds to recognize projected fiscal year 2004 tuition and fee increases of 3.0 percent. This funding increase is intended to offset average tuition and fee increases for students at community colleges, public universities, and independent institutions. Over the past three years, the average annual increase in tuition and fees has been in excess of 6.2 percent (all sectors).

Other Grant and Scholarship Programs: State Funds

In addition to MAP, the Commission administers a number of other student aid programs that provide assistance to students based on financial need, and still others that provide financial aid based on a student's academic performance, participation in the armed forces, intention to pursue a career in teaching, or other criteria. No major new initiatives are proposed for fiscal year 2004. Narrative summaries of the various programs follow.

Merit Recognition Scholarships. The fiscal year 2004 recommendation of $2.7 million for the Merit Recognition Scholarship Program is a decrease of $2.7 million, or 50 percent, from the fiscal year 2003 appropriation. This reduction, based on current year program volume, can be expected to limit awards under the program to students who will graduate in the top two percent of their graduating class, or to those who have achieved a standardized test score at or above the 98th percentile. The scholarship is a non-need-based, non-renewable award of $1,000, which must be used in the first year following the student's graduation from high school. Eligibility for this program was expanded in fiscal year 2001 to include students who, at the end of their sixth semester, are in the top five percent of their high school class or who have a standardized test score at or above the 95th percentile. The program expansion has raised participation from 3,800 students in fiscal year 2000 (representing pre-expansion totals for students who ranked in the top five percent of Illinois high school graduates) to a projected level of 5,400 students in fiscal year 2003. Under this recommendation, funding limitations will require the Commission to prorate awards, limiting grant assistance to the top two percent in those categories. This fiscal year 2004 recommendation would support awards to 2,700 students.

Student-to-Student Grants. The Student-to-Student program is a campus-based grant program for public university and community college students who have financial need not met by other programs. The program matches state dollars with voluntary fees of up to $9 paid by students at 12 participating institutions, up from 11 participants in fiscal year 2003 (Oakton Community College comes on board during fiscal year 2003). The maximum award under this program is $1,000, and the fiscal year 2004 recommendation of $1.0 million is an increase of $50,000, or 5.3 percent over the fiscal year 2003 appropriation. This recommendation is designed to cover anticipated match amounts and provide awards to approximately 3,300 students.

College Savings Bond Grants. The Bonus Incentive Grant (BIG) program awards grants to holders of College Savings Bonds if they use the bond proceeds to pay for educational expenses at a college or university in Illinois. Awards are $20 for each year a bond is held until maturity, up to a maximum of $440 for a 22-year bond. The fiscal year 2004 recommendation of $700,000 is an increase of $50,000, or 7.7 percent, over fiscal year 2003 appropriations, and is intended to fully fund statutory obligations under the program.

Illinois Incentive for Access. This program is designed to direct additional aid to students classified as freshmen who have no financial resources for college, thus supplementing aid from other need-based grant programs and promoting access and retention for a targeted group of students. It is a need-based program that provides a one-time $500 grant to eligible freshmen applicants. An estimated 18,200 students will receive these grants in fiscal year 2003. The fiscal year 2004 recommendation for the program is $7.2 million, unchanged from the fiscal year 2003 appropriation.

Illinois Veteran Grant Program. This program provides grants for tuition and fees at Illinois public universities and community colleges to Illinois residents who are veterans with at least one year of active duty. Illinois veterans who return to the state within six months of leaving the Armed Forces of the United States are eligible to receive grants equivalent to four years of full-time study at the undergraduate or graduate level. The $19.25 million recommendation for the program in fiscal year 2004 is unchanged from the fiscal year 2003 appropriation level. In fiscal year 2002, ISAC expended $19.25 million from the $20 million appropriation provided, and expects to fully utilize fiscal year 2003 appropriations for the program. An estimated 11,800 students will benefit from these grants in fiscal year 2003. The Illinois Veteran Grant program is an entitlement; campuses are required to waive any tuition and fees not paid by the grant.

National Guard Scholarships. The Illinois National Guard Grant Program provides grants for the payment of tuition and certain fees at Illinois public universities and community colleges to students who are Illinois residents and who have served at least one year in the Illinois National Guard. Like the Illinois Veteran Grant Program, this is an entitlement program for eligible applicants, thus campuses are required to waive any tuition and fees not paid by the grant. The fiscal year 2004 recommendation of $4.5 million is unchanged from the fiscal year 2003 appropriation, which is expected to accommodate nearly 2,300 students this fiscal year.

Minority Teachers of Illinois Scholarship Program. This program awards scholarships of up to $5,000 to minority students who agree to teach at least one year for each year of scholarship assistance provided at a preschool, elementary, or secondary school where minority enrollment exceeds 30 percent. Should a recipient fail to fulfill the teaching requirement, repayment of the award plus interest is required by the agreement. The fiscal year 2004 recommendation of $3.1 million is unchanged from the fiscal year 2003 appropriation.

The fiscal year 2002 appropriation of $3.1 million allowed for approximately 620 awards. However, since the statute requires at least 30 percent of grant recipients to be male students, and since there were not a sufficient number of eligible male applicants to meet this requirement, 550 awards were granted in fiscal year 2002 at a total cost of $2.6 million. As the need for qualified teachers accelerates, ISAC expects demand to increase and anticipates full utilization of the fiscal year 2003 appropriation.

Public Act 92-0845 updates and expands the Minority Teachers of Illinois program to extend access to enrolled freshmen and graduate students (previously limited to undergraduates with at least sophomore status), to allow qualified recipients to enroll on a half-time basis, and to require recipients to begin teaching within a one-year period following termination of the undergraduate program (previously a ten-year period was allowed to fulfill the teaching obligation). The provision that 30 percent of scholarship recipients be male students remains in the Act.

ITEACH Teacher Shortage Scholarship Program. The ITEACH Program, formerly the David A. DeBolt Scholarship Program, is designed to encourage academically talented students to pursue preschool, elementary, or secondary school teaching careers in fields designated as teacher shortage disciplines by the Illinois State Board of Education (ISBE). The program provides scholarships of up to $5,000 per year to undergraduate students (including freshman students) who agree to teach for at least one year for each year of scholarship assistance received, and like the Minority Teacher Scholarship program detailed above, it includes a repayment plus interest provision for those who fail to fulfill the teaching requirement.

Public Act 92-0845 updated, expanded, and renamed the David A. Debolt Teacher Shortage Scholarship Program to create the ITEACH program. The Program is designed to accomplish many of the objectives embodied in the old program. Access has been extended to enrolled freshmen (previously limited to undergraduates with at least sophomore status), and recipients are now required to begin teaching within a one-year period following termination of the undergraduate program (previously a ten-year period was allowed to fulfill the teaching obligation).

The $2.9 million recommendation for fiscal year 2004 is unchanged from the appropriation level provided in each of fiscal years 2002 and 2003. In fiscal year 2002, 552 scholarships were awarded at a total cost of just over $2.6 million. In fiscal year 2003, ISAC expects to fully utilize the $2.9 million appropriation, allowing for up to 580 awards, and the fiscal year 2004 request again would support up to 580 awards. Program demand increased significantly in fiscal year 2002 as a result of additional teacher shortage disciplines identified by ISBE.

Teacher/Child Care Provider Loan Repayment Program. Beginning January 1, 2003, ISAC will begin administration of this new program awarding matching grants of up to $5,000 to teachers who have fulfilled the teaching obligations of the federal Teacher Loan Forgiveness Program, and to child care providers who have fulfilled the requirements of the federal Child Care Provider Loan Forgiveness Program.

The fiscal year 2004 recommendation of $2.7 million is unchanged from the fiscal year 2003 appropriation and is expected to provide awards to an estimated 540 teachers/childcare providers next fiscal year. To be eligible, teachers must work full-time in a low-income school for five consecutive years, and a childcare provider must work full-time in a childcare facility serving a low-income community for two consecutive years. Funds would be disbursed in the form of grants with recipients encouraged to use the proceeds to pay down student debt.

Dependents Grants. The Dependents Grant programs provide grant assistance to children of Illinois police officers, firefighters, or correctional officers who are killed or permanently disabled in the line of duty. The grants give no consideration to financial need, and may be used for tuition and fees at public and private colleges and universities in Illinois. For fiscal year 2004, the Board recommends $275,000 for the program, the same as the fiscal year 2003 appropriation. Fifty to 60 students per year typically benefit from this assistance category.

Quern Information Technology Grants. No funds were appropriated for the Arthur F. Quern Information Technology (IT) Grant Program for fiscal year 2003, and no funding is recommended for fiscal year 2004. In fiscal year 2002, a total of $3.0 million was provided for the program, which provides grants of up to $2,500 for up to two years for students enrolled in eligible information technology programs at the undergraduate level. To receive priority consideration for an award, applicants must have previously received a baccalaureate degree and be pursuing an additional undergraduate degree or certification in an approved technology field. Named after a former Chairman of the Illinois Board of Higher Education, the Quern IT grant program assisted 1,154 students at a cost of just under $2.9 million in fiscal year 2002.

Higher Education License Plate Grants. In fiscal year 2004, a total of $70,000 is recommended for the Higher Education License Plate Grant Program. This amount is unchanged from the fiscal year 2003 appropriation level, and no state general funds are used for the program. Funding is provided through fees charged for specialized college license plates ($25 of the $75 plate fee goes to the grant fund). Participating public universities and community colleges administer their own scholarship programs with license plate fees flowing directly to the institutions in proportion with the number of license plates sold. This appropriation is simply pass-through funding for seven private institutions currently participating in the program.

Optometric Education Scholarship Program. Public Act 92-0569 created this new program that will provide up to ten scholarships annually for students pursuing a graduate optometry degree at a qualified Illinois institution. Scholarships will be funded by Optometric Licensing and Disciplinary Board fees deposited in a special state fund, thus the $50,000 fiscal year 2004 recommendation is for spending authority for dedicated funds and requires no general fund resources. Scholarship recipients will be required to practice optometry in Illinois for one year for each year of scholarship assistance received.

Illinois Future Teacher Corps Scholarship Fund. Created by Public Act 92-0845, the Illinois Future Teacher Corps Scholarship Fund will serve as the repository for receipts from the sale of newly minted Illinois Future Teacher Corps license plates. The Act specifies that funds be used to supplement general funds appropriations provided for the ITEACH Teacher Shortage Scholarship Program detailed above, or for scholarships under a new Illinois Future Teacher Corps program. With sales of the new plate difficult to project, and proceeds likely to be inadequate to support a meaningful new program, ISAC plans to use any available funding to supplement ITEACH appropriations. The $50,000 fiscal year 2004 recommendation is for spending authority for dedicated funds and requires no general fund resources.

Other Grant and Scholarship Programs: Federal Funds

The Robert C. Byrd Honors Scholarship program provides a $1,500 federal scholarship for undergraduate study at approved U.S. colleges and universities. Scholarships are allocated by geographic district to academically exceptional students who graduate in the top two percent of their graduating class, and who have at least a 3.8 grade point average on a four point scale or a composite score of 27 on the ACT. The fiscal year 2004 recommendation of $1.8 million is unchanged from the fiscal year 2003 appropriation, and assumes a full federal allocation of funds for the program.

Administration: State Funds

State funds totaling $6.8 million are recommended for administration for ISAC for fiscal year 2004. This amount is an increase of $112,200, or 1.7 percent, over fiscal year 2003 appropriations. The recommendation includes funding for the following components.

General Funds Program Administration. A total of $6.3 million is recommended for fiscal year 2004, an increase of $117,200, or 1.9 percent, over fiscal year 2003 appropriations. The recommendation includes funds for an average two percent salary increase, calculated on 95 percent of the personal services base, and for associated increases in employee benefit lines. Also included are funds to recruit and retain critical staff, a one percent increment consistent with the decision rule applied for all higher education institutions and agencies. An increase of $25,000 is recommended to assist the Commission with federal cost allocation issues resulting from an imbalance in state and federal administrative funding for indirect costs at the agency. As an agency that administers both state and federal financial aid programs, ISAC is required by federal law to comply with federal cost allocation principles.

Higher-EdNet. These recommendations include $10,000 from the Higher-EdNet Fund to support the operation of Higher-EdNet. Over the past several years, an increasing number of Internet applications (filed free of charge) have slowed revenue to the Higher-EdNet Fund (a $10 filing fee is required for paper applications), resulting in a reduction of dedicated resources available for the program. The fiscal year 2004 recommendation is a decrease of $55,000, or 84.6 percent, from fiscal year 2003 appropriations. The program also receives general funds support, with the general funds component having been "institutionalized" or folded into the Commission's standard operating lines in fiscal year 2002. Higher-EdNet provides Illinois residents with a single source for information regarding access to student financial aid, academic preparation for postsecondary education, school selection, and career planning.

Collections Activities. The fiscal year 2004 recommendations include $300,000 from the State Accounts Receivable Fund for administrative expenses and related collection agency charges associated with the Minority Teachers of Illinois, ITEACH/DeBolt Teacher Shortage Scholarship and Special Education Teacher Tuition Waiver programs. This amount is unchanged from the fiscal year 2003 appropriation, and will continue to allow ISAC to aggressively pursue collections from students who fail to fulfill the teaching obligations required by these programs.

Contracts and Grants Fund. A fiscal year 2004 recommendation of $50,000 is included from the Contracts and Grants Fund. This recommendation would establish an appropriation ceiling for the new fund, which will serve as the repository for funds received from not-for-profit organizations interested in assisting ISAC with joint outreach and training activities. Participating organizations will include, but are not limited to, the Illinois Association of Student Financial Aid Administrators (ILASFAA) and the Illinois Association of College Admission Counselors (IACAC).

Service Delivery Enhancements

Adult Outreach Activities. A total of $150,000 is recommended for the continuation of outreach efforts targeted specifically to adult learners. The recommendation is unchanged from the fiscal year 2003 appropriation level. This program was first funded at a level of $300,000 in fiscal year 2002 with first-year funding utilized for a contract with the Council for Adult and Experiential Learning (CAEL) to promote ISAC's programs to adults in the Chicago area, development of a separate Web page focusing on information for adult students, and for printing for specialized brochures, posters, and other publications. In fiscal year 2003, ISAC plans to hire one new Client Relations representative, to continue outreach efforts with Chicago area organizations, and to extend outreach efforts to downstate Illinois. For fiscal year 2004, the request would support the Client Relations representative and continue to support ideas and initiatives advanced by ISAC's Advisory Committee on Adult Learners.

Federal Loan Program Administration and Loan Reimbursements

The Illinois Student Assistance Commission administers federally guaranteed student loan programs for Illinois residents enrolled in higher education institutions in Illinois or other states. These programs facilitate student borrowing from commercial financial institutions and provide lenders with numerous support services. The Commission derives funding for student loan operations entirely from non-state funding sources. All expenditures are from the Federal Student Loan Fund (FSLF), the Student Loan Operating Fund (SLOF), or the Federal Reserve Recall Fund (FRRF). The fiscal year 2004 budget recommendations include $302.7 million for loan reimbursements, loan program transfers, and administration. This amount is an overall decrease of $14.4 million, or 4.5 percent, from fiscal year 2003 appropriations with decreases reflecting procedural changes and reductions in appropriation ceilings.

The recommendation for loan program administration totals $34.6 million, an increase of $963,200, or 2.9 percent, over fiscal year 2003 appropriations. This funding level will support salary increases for staff and related personal services costs, as well as normal operating expenses associated with program administration.

Initiative to Expand Outreach and Awareness. A recommendation of $162,500 in federal student loan operating funds would be coupled with additional funding from the Federal Reserve Recall Fund ($162,500) and the Illinois Direct Lending Program ($325,000) to provide a total of $650,000 in funding for this project in fiscal year 2004. ISAC would contract with an outside vendor to build an integrated information management system to establish and maintain an Internet-based database serving grade school, middle school and high school students in Illinois. One provider of such a service is Mentor™. The total cost of the project is projected to be $2 million over two years (fiscal years 2004 and 2005) with $900,000 in annual maintenance costs required in fiscal year 2006 and thereafter. ISAC requested $2 million in general funds resources for this purpose in fiscal year 2003, but now believes the project can be supported wholly with non-general funds resources. Currently, some 20 states are using or developing state-specific versions of the Mentor™ system.

Individual students would open "accounts" on the system as early as seventh grade, entering information about themselves in relation to career and college goals and their educational progress toward those goals. Students would remain actively involved in their own academic preparation and planning, and would be able to utilize the system to: 1) identify appropriate classes to support their college and career goals, 2) find information on colleges and universities, 3) apply online for admission to Illinois colleges, 4) plan for various careers as they progress through the various levels of education, 5) maintain personalized records and send electronic transcripts and records to potential employers, 6) communicate directly with Illinois colleges and universities, and 7) simplify the financial aid process and maximize resources available for their educational needs.

ISAC has identified utilization of an Illinois-specific Mentor-type system as a key strategy that can improve persistence and completion rates in Illinois. In short, the implementation of such a system would encourage students to be actively engaged in planning for their education at an earlier age, and would support continued engagement through high school and postsecondary experiences, thus improving persistence and completion rates in Illinois.

E-Learning Initiative. A recommendation of $250,000 from the federal Student Loan Operating Fund for fiscal year 2004 would support the creation of a series of electronic learning components to build on ISAC's existing training and outreach activities. This initiative would serve two primary areas – Consumer Information and Training Activities. The consumer information component would connect students and parents to information provided by ISAC through the creation of user-friendly modules focusing on a variety of consumer activities and links to professional experts. The training activities component would provide financial aid officers and high school guidance counselors, as well as parents and students, with the opportunity to train and update themselves on state and federal financial aid programs and current issues in the financial aid field. Future plans call for the development of this training into on-line coursework, providing more in-depth and extensive information.

Table VI - 1

FY2004 RECOMMENDATIONS
ILLINOIS STUDENT ASSISTANCE COMMISSION

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Monetary Award Program	$ 336,399.8	$ 425,800.0	$ 373,442.8	$ 37,043.0	11.0 %
General Funds	329,522.8	422,100.0	369,742.8	40,220.0	12.2
Allocated MAP Reserve Funds	3,177.0	-	-	(3,177.0)	(100.0)
Federal LEAP Funds	3,700.0	3,700.0	3,700.0	-	-
Monetary Award Program Reserve (Unallocated)	-	-	-	-	-
Other Grant and Scholarship Programs (State Funded)	46,995.0	49,920.0	44,495.0	(2,500.0)	(5.3)
Illinois Veteran Grants	19,250.0	21,000.0	19,250.0	-	-
Illinois Incentive for Access Grants	7,200.0	7,200.0	7,200.0	-	-
Higher Education License Plate Grants (HELP)	70.0	70.0	70.0	-	-
Merit Recognition Scholarships	5,400.0	6,000.0	2,700.0	(2,700.0)	(50.0)
National Guard Grants	4,500.0	4,800.0	4,500.0	-	-
Minority Teachers of Illinois Scholarships	3,100.0	3,100.0	3,100.0	-	-
ITEACH: Teacher Shortage Scholarships	2,900.0	2,900.0	2,900.0	-	-
Student-to-Student Grants	950.0	1,000.0	1,000.0	50.0	5.3
College Savings Bond Bonus Incentive Grants	650.0	750.0	700.0	50.0	7.7
Dependents Grants	275.0	300.0	275.0	-	-
Teacher/Child Care Provider Loan Repayment Program	2,700.0	2,700.0	2,700.0	-	-
Optometric Education Scholarship Program	-	50.0	50.0	50.0	N/A
IL Future Teachers Corps Scholarship Fund	-	50.0	50.0	50.0	N/A
Other Grant and Scholarship Programs (Federally Funded)	1,800.0	1,800.0	1,800.0	-	-
Robert C. Byrd Honors Scholarship Program	1,800.0	1,800.0	1,800.0	-	-
Administration (Includes Service Delivery Enhancements)	6,699.2	7,284.6	6,811.4	112.2	1.7
General Funds Program Administration	6,184.2	6,424.6	6,301.4	117.2	1.9
Higher EdNet Clearinghouse	65.0	10.0	10.0	(55.0)	(84.6)
Collections Activities	300.0	300.0	300.0	-	-
Contracts & Grants Fund	-	50.0	50.0	50.0	N/A
Service Delivery Enhancements	150.0	500.0	150.0	-	-
Scholarships & Grants System Reengineering	-	350.0	-	-	-
Expanded Outreach	150.0	150.0	150.0	-	-
Total, Grant Programs and Administration	$ 391,894.0	$ 484,804.6	$ 426,549.2	$ 34,655.2	8.8 %
Federal Loan Program Administration and Loan Reimbursements	317,156.6	302,732.3	302,732.3	(14,424.3)	(4.5)
Total	$ 709,050.6	$ 787,536.9	$ 729,281.5	$ 20,230.9	2.9 %
Source of Appropriated Funds					
General Funds	$ 382,782.0	$ 478,774.6	$ 420,519.2	$ 37,737.2	9.9 %
General Revenue Fund	280,413.7	376,406.3	318,150.9	37,737.2	13.5
Education Assistance Fund	102,368.3	102,368.3	102,368.3	-	-
Federal Funds	5,500.0	5,500.0	5,500.0	-	-
Student Loan Fund	317,156.6	302,732.3	302,732.3	(14,424.3)	(4.5)
Monetary Award Program Reserve Fund	3,177.0	-	-	(3,177.0)	(100.0)
Other State Funds	435.0	530.0	530.0	95.0	21.8

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VII. GRANT PROGRAMS AND SPECIAL INITIATIVES

The Illinois Board of Higher Education (IBHE) administers a variety of state and federal grant programs that provide financial assistance to public and non-public higher education institutions in Illinois, with each program playing a significant role in supporting and advancing the policy agenda for Illinois higher education. The IBHE grant programs provide opportunities for colleges and universities to extend and supplement services to students through projects funded under a variety of programs such as: the Higher Education Cooperation Act (HECA) grant program, the Illinois Consortium for Educational Opportunity Program, the Illinois Cooperative Work Study Program, the Illinois Financial Assistance Act Program, the State Matching Grant Program, the Graduation Incentive Grant Program, the Engineering Grant Program, and the Health Services Education Grants Act Program. Collectively, these grant programs contribute to the achievement of each of the six goals of *The Illinois Commitment*.

The Board incorporates grant criteria and accountability measures to address key policy agenda initiatives facing Illinois higher education. Included among the priority areas are efforts aimed at increasing the responsiveness to *The Illinois Commitment* in providing access to students and diverse teaching and learning for students, faculty and staff; maintaining a well trained and equipped workforce; and strengthening the state's supply of highly trained and highly qualified teachers.

The Board also administers funds for other special initiatives such as the Illinois Century Network, the University Center of Lake County, and the Illinois Consortium for Educational Opportunity Program. The Illinois Century Network and the University Center of Lake County are projects initiated by the Illinois Board of Higher Education. The Illinois Consortium for Educational Opportunity Program provides financial assistance to minority students enrolled in graduate programs in certain Illinois colleges and universities. Funding for these initiatives is project-specific.

This section provides information and funding recommendations for each of the IBHE grant programs and initiatives. The programs and initiatives are presented in accordance with their relationship to the statewide goals articulated in *The Illinois Commitment*. Tables VII-1 through VII-3 summarize the fiscal year 2004 recommendations for each program.

Access and Diversity

The fiscal year 2004 budget recommendations for grant programs and initiatives that advance Goal 4 of *The Illinois Commitment*, to increase the number and diversity of citizens completing training and education programs, totals $56.0 million, an increase of $1.3 million, or 2.3 percent, over fiscal year 2003 appropriations. The recommendations for fiscal year 2004 are displayed on Table VII-1.

Illinois Financial Assistance Act for Nonpublic Institutions of Higher Learning. The Illinois Financial Assistance Act for Nonpublic Institutions of Higher Learning program (IFAA) provides direct grants to nonprofit, independent colleges and universities to help preserve and enhance the educational opportunities available to students across the state. This program also was created to maintain the fiscal health of independent institutions and alleviate enrollment pressure on public institutions, thereby reducing the costs to the state associated with an expanding student population.

Independent colleges and universities play an important role in contributing to the advancement of the goals articulated in *The Illinois Commitment*. According to the Illinois Board of Higher Education's Fall 2002 Enrollment Survey, enrollment at independent institutions accounted for 29 percent of total headcount enrollment in Illinois colleges and universities. While enrolling less than a third of all Illinois college and university students, independent institutions awarded 42 percent of the baccalaureate degrees, 60 percent of the Master's degrees, and 67 percent of the first professional and doctoral degrees conferred by Illinois colleges and universities during the 2000-01 academic year. This productivity achievement exemplifies the important role that these institutions play in the Illinois higher education system. Overall enrollment at Illinois independent institutions grew by 5.7 percent in fall 2002 to 230,600 students.

The Illinois Financial Assistance Act for Nonpublic Institutions of Higher Learning grants historically have been based on the number of Illinois resident students enrolled in undergraduate programs at each eligible institution. During the spring of 2001, the Board sought statutory changes in the IFAA allocation formula to reflect the increasing emphasis on persistence and completion. Public Act 92-0045, enacted during the spring of 2001, authorizes the Board to consider degrees awarded, as well as enrollments in distributing IFAA grants. Currently, the Board is working with the Federation of Independent Illinois Colleges and Universities to develop a new allocation formula that emphasizes persistence and completion, and a new expenditure report to improve program accountability. These program modifications will be implemented in fiscal year 2004.

In fiscal year 2003 funding for the IFAA program was reduced by $1.6 million, or 7.0 percent, when compared to fiscal year 2002. The fiscal year 2004 recommendation for the Illinois Financial Assistance Act for Nonpublic Institutions of Higher Learning is $21.0 million, an increase of $391,700, or 1.9 percent, over the fiscal year 2003 appropriation.

The Illinois Century Network. The Illinois Century Network (ICN) is a telecommunications backbone that provides state-of-the-art, high-speed access to data, video, and audio communications for schools, libraries, colleges, and universities. Approximately 5,500 institutions, government agencies, schools and libraries have been connected to the Network to date, serving approximately two million citizens. Of that total, over 91 percent of the network connections represent ICN primary constituents, which consist of K-12 schools, colleges and universities, libraries and museums. By leveraging the purchasing power of all ICN constituents, the Illinois Century Network secures competitive prices for telecommunications services and alternative technologies and passes those savings on to K-12 schools, colleges and universities, museums and libraries throughout the state.

Prior to fiscal year 2003, state funding for ICN was appropriated to the Illinois Board of Higher Education and the Illinois State Board of Education to support the costs related to development, administration, and content. In fiscal year 2003, however, the appropriation of $25.5 million was consolidated in the Illinois Board of Higher Education's appropriation bill. The fiscal year 2004 recommendation for the Illinois Century Network is $26.1 million, an increase of $617,000 over the fiscal year 2003 appropriation. Additional funds support an average two percent salary increase for ICN staff, provide funds to recruit and retain critical staff, and provide for a two percent increase in Medicare/Social Security costs. A total of $500,000 is provided to enable the ICN to purchase "dark fiber" throughout the state. This initiative will increase network capacity by acquiring fiber optic resources currently in place but not being used, resulting in future cost savings.

Graduation Incentive Grant Program. This program was created in 1998 to encourage public universities to develop programs to assist undergraduate students in completing a baccalaureate degree within four years. To be eligible for the Graduation Incentive Grant Program, universities must offer undergraduate students contracts in which the university commits to provide the courses, programs and support services necessary to enable contracting freshman students to graduate within four years and incoming community college student within two years. Students are required to utilize the services (counseling, scheduling, academic planning) provided by the university and abide by the terms of the contract. Graduation incentive grants are based on the total number of students with valid contracts at each participating university.

Until this year, Western Illinois University was the only recipient for Graduation Incentive Grant Program funds. Eastern Illinois University initiated the *EIU4* Program this fall and has made application for a grant in fiscal year 2003 along with Western Illinois University. At Western Illinois University, 901 students have signed contractual agreements to participate in the *GradTrac Program.* At Eastern Illinois University, 100 students have entered into the new *EIU4 Program*. The fiscal year 2004 recommendation for the Graduation Incentive Grant Program is $120,000, a $20,000 increase over the fiscal year 2003 appropriation. The recommendation acknowledges anticipated growth in these programs in coming years.

University Center of Lake County. Following a comprehensive review of the educational needs of the north Chicago suburban area, the Illinois Board of Higher Education endorsed a proposal to create the University Center of Lake County to expand educational opportunities for baccalaureate degree completion and master's degree programming for the residents of Lake County. The University Center of Lake County is a partnership of colleges and universities across the state of Illinois, delivering higher education programming within the geographic boundaries of Lake County. The University Center offers 30 baccalaureate and master's degree programs, three certificate programs, and a variety of professional development and independent courses. During the 2001-2002 academic year, the Center's 15-member institutions reported that 3,731 students enrolled in 431 separate courses. The fiscal year 2004 recommendation for the University Center of Lake County totals $1.0 million, the same amount appropriated in fiscal year 2003.

Quad Cities Graduate Study Center. The Quad-Cities Graduate Study Center is a cooperative regional academic center that receives support from both Illinois and Iowa and provides educational services from public and private institutions in both states. Graduate instruction is scheduled at the Center on a regular basis for residents of the Quad-Cities metropolitan area that includes Rock Island and Moline, Illinois, and Davenport and Bettendorf, Iowa. The Illinois appropriation to the Center is matched by a similar appropriation from the State of Iowa. The fiscal year 2004 recommendation for the Quad Cities Graduate Study Center totals $220,000, the same amount appropriated for fiscal year 2003.

Illinois Consortium for Educational Opportunity Program. The purpose of this program is to advance the goal of increasing the number of minority faculty and staff in Illinois colleges and universities. This grant program provides financial assistance to encourage minority students to enroll in and complete graduate degree programs. To be eligible for a grant, a student must be an Illinois resident who is unable to pursue a graduate or professional degree without financial assistance. Award recipients must agree to accept a position at an Illinois higher education institution, or in an education-related function at a state agency, upon completion of the degree. A Consortium Board composed of representatives of the public and private higher education institutions participating in the program, annually conducts an application and selection process to determine award recipients. Public Act 92-0045 authorizes the Consortium Board to make an annual determination regarding the maximum award amount. In fiscal year 2003, the Executive Committee of the Consortium Board nominated 46 new awardees and 117 continuing awardees, for a total of 163 recipients. The fiscal year 2004 recommendation for Illinois Consortium for Educational Opportunity Act grants is $2.1 million, an increase of $100,000, or 5.0 percent, over fiscal year 2003.

Higher Education Cooperation Act (HECA) – Access and Diversity. These competitive grants are meant to ensure that a college education remains affordable and that no student is denied the opportunity for lack of resources; and to strengthen school-college partnerships, expand learning opportunities for place bound students, enhance articulation between academic programs, support activities that bridge generations, strengthen cooperative public services initiatives, and improve undergraduate education.

In fiscal year 2003, the appropriation for HECA - Access and Diversity grants was reduced to $5.3 million, a $1.8 million, or 25.4 percent, reduction from the previous year. While the Board received 96 proposals totaling $12.1 million for projects in the Access and Diversity category in fiscal year 2003, many quality projects were not funded and projects that were funded experienced a reduction in support. In fiscal year 2003, a total of 67 competitive projects were funded, including 36 short-term projects and 31 long-term projects, and grant award amounts ranged from $15,000 to $800,000. Some of the projects supported in fiscal year 2003 include: the Illinois Minority Graduate Incentive Program that provides financial assistance to minority graduate students; the Chicago Area Health and Medical Careers Program (CAHMCP) at the Illinois Institute of Technology that works with students beginning in middle school to prepare them for careers in the health field; the Higher Education Highway for Latinos at Northern Illinois University that seeks to facilitate greater persistence among Latino students; and, the Minority Faculty and Staff Enhancement Project at John A. Logan College to increase access and diversity in the classroom. HECA - Access and Diversity grants also support efforts to improve the transfer rate of students from community colleges to baccalaureate institutions, promote access for underrepresented groups, and other short-term articulation initiatives. The fiscal year 2004 recommendation continues support for a network of transfer centers aimed at minority students on community college campuses. The fiscal year 2004 recommendation for Higher Education Cooperation Act – Access and Diversity grants is $5.4 million, an increase of $150,000, or 2.8 percent, over fiscal year 2003.

Workforce and Economic Development

The fiscal year 2004 budget recommendations for grant programs and initiatives that advance statewide goals to help Illinois business and industry sustain strong economic growth (Goal 1 of *The Illinois Commitment)* total $41.3 million, a decrease of $2.3 million, or 5.2 percent, from fiscal year 2003 appropriations. The recommendations for fiscal year 2004 are displayed on Table VII-2.

Health Services Education Grants Act. The Health Services Education Grants Act authorizes the appropriation of funds to the Illinois Board of Higher Education for allocation to independent institutions offering programs that educate and train health professionals. Grants are based on the number of Illinois residents enrolled in such programs. Health Services Education Grants assist institutions in meeting the high cost of health education programs while assuring that the state of Illinois has an adequate supply of health professionals. In addition, grant funds improve opportunities for students, particularly minority students, to pursue careers in the health professions. The fiscal year 2004 recommendation for the Health Services Education Grants Act totals $16.1 million, a decrease of $900,000, or 5.3 percent, from fiscal year 2003. This recommendation is in recognition of a projected decrease in health program enrollments in fiscal year 2004.

State Matching Grant Program. Illinois colleges and universities make a significant contribution to the economic well being of the state through innovative research and the development of partnerships with business and industry. Despite the size and scope of the Illinois higher education system, however, Illinois has lagged behind other large states in its ability to attract federal funds for research and development. The State Matching Grant Program is designed to provide Illinois colleges and universities with incentives to compete for research grants from the federal government and other sources. Grant funds are allocated to each participating institution based on the institution's federal expenditures. Any portion of State Matching Grant Program funds not used as a match for externally supported projects must be refunded to the Illinois Board of Higher Education.

In fiscal year 2002, a team of external evaluators conducted an evaluation of the State Matching Grant Program. The evaluation report noted that in fiscal year 2000, the $10 million in State Matching Grant Program grants "brought more than $56 million into Illinois" resulting in a ratio of federal research dollars leveraged to State Matching Grant Program funds of nearly $6 to $1. The program evaluators agreed that the State Matching Grant Program had achieved its objective of increasing the amount of federal research funding coming into Illinois and that many important projects would not have been successful without the support this program provides. Sixteen institutions participated in the State Matching Grant Program in fiscal year 2003. The fiscal year 2004 recommendation for the State Matching Grant program totals $9.5 million, the same amount appropriated for fiscal year 2003.

Advanced Photon Source - Argonne National Laboratory. In fiscal year 2003 the Advanced Photon Source (APS) at Argonne National Laboratory received a $2.1 million appropriation, which is the last year of a five-year funding commitment. The fiscal year 2004 recommendation includes no funding for this initiative.

Illinois Consortium for Accelerator Research (ICAR). Funds were provided for the first time in fiscal year 2001 to support the efforts of five Illinois universities that comprise the Illinois Consortium for Accelerator Research. The Consortium includes representatives from the Illinois Institute of Technology, Northern Illinois University, Northwestern University, The University of Chicago, and the University of Illinois at Urbana-Champaign. The research program of the Consortium is designed to ensure that Fermilab remains the best choice of future research in accelerator technology and physics. Grant funds support collaborative research with Fermilab involving faculty and students from physics and engineering departments, and an Outreach and Public Awareness Program designed to promote public awareness of the intellectual and economic importance of Fermilab to the State of Illinois. The fiscal year 2004 budget recommendations include $2.5 million from the Tobacco Proceeds Settlement Fund to support the work of the Consortium, the same amount appropriated for fiscal year 2003.

Engineering Grant Program. The Engineering Grant Program provides grants to eligible institutions for the purchase of engineering laboratory equipment and computer software. Distribution of these grants is based on the number of engineering degrees awarded by public and private institutions offering accredited engineering programs. Allocations are based on a maximum grant rate of $1,200 for each baccalaureate degree conferred during the previous year. If the appropriation does not support the maximum grant, grants are reduced on a pro-rata basis. In fiscal year 2003, the $2.6 million appropriation did not fully fund the maximum grant rate for each of the 2,265 degrees conferred, and the grant rate was reduced to an amount slightly less than $1,148. In fiscal year 2003, nine institutions, four independent institutions and five public universities, with accredited Colleges of Engineering were eligible to receive these grants. A total of $2.6 million is recommended in fiscal year 2004 for the Engineering Grant Program, the same amount appropriated for fiscal year 2003

Veterinary Medicine. In fiscal year 2003, a total of $2.0 million in Tobacco Settlement Funds was appropriated to the Illinois Board of Higher Education for a grant to the University of Illinois to support studies in veterinary medicine. Specifically, this funding will support ongoing research in veterinary medicine in areas where there is a societal need and where the College of Veterinary Medicine has current faculty strengths. The fiscal year 2004 recommendation includes $2.0 million in Tobacco Settlement Funds for veterinary medicine research, the same amount appropriated for fiscal year 2003. In fiscal year 2004, funding for this program will be transferred to the University of Illinois at Urbana-Champaign's base budget.

Medical Scholarship Program. The Family Practice Residency Act authorizes the Illinois Department of Public Health to award scholarships to Illinois residents who are attending Illinois medical schools and who, in return for such scholarships, agree to practice in those areas of the state demonstrating the greatest need for medical care. Financial need and willingness to complete the residency requirement in a medical shortage area are among the factors considered by the Department in awarding these scholarships that provide both tuition and a stipend for living expenses. Historically, minority students have received a significant proportion of these scholarships. Fiscal year 2004 recommendations provide $2.8 million for this scholarship program, the same amount appropriated for fiscal year 2003.

Cooperative Work Study Program. The Illinois Cooperative Work Study Program Act authorizes the Illinois Board of Higher Education to award grants to public and nonpublic institutions of higher education to support student cooperative work-study programs. The program plays an important role in carrying out the Board's workforce preparation policies. The Act stipulates that grants should support cooperative work-study programs that benefit students academically and financially, reduce reliance on loans, enhance public-private sector partnerships, and encourage students to seek permanent employment in Illinois. In fiscal year 2002, 46 grants were awarded that will support work-study opportunities for an estimated 3,000 students. Fiscal year 2004 recommendations for this program total $2.1 million, the same amount appropriated for fiscal year 2003.

State Geological Survey. The Illinois State Geological Survey is one of four scientific surveys and centers of the State of Illinois. These surveys are divisions of the Illinois Department of Natural Resources, but are affiliated with the University of Illinois at Urbana-Champaign. Responsibilities of the Illinois State Geological Survey include mapping the state's geology at a detailed scale; and acquiring, assembling, interpreting, and making useful geologic information available to Illinois citizens. In fiscal year 2003, a $1.6 million grant supported ongoing research, education programs, and operating needs of the Survey. The fiscal year 2004 recommendation for this program is $1.6 million, the same amount appropriated for fiscal year 2003.

Career Academy/International High School. In fiscal year 2002, the International Career Academy was established by the Illinois Mathematics and Science Academy, working with the Illinois Consortium on International Education, the Governor's Joint Task Force on International Education, state education agencies and other governmental agencies, and private sector business and industry. The Academy provides a graduated career practicum for high school students who have demonstrated a sustained interest in international studies. That same year, the University of

Illinois at Urbana-Champaign and the Illinois Consortium on International Education, in collaboration with educational agencies and professional educational organizations in the public and private domain, established an International High School to better prepare students, as well as their teachers, for their role in a culturally diverse workforce and provide them with the tools necessary to contribute to Illinois global competitiveness.

In fiscal year 2003, the International Career Academy and the International High School, along with a new Economic and Finance High School at Northern Illinois University and a new Public Policy High School at the University of Illinois at Springfield, received a total appropriation of $1.4 million. The fiscal year 2004 recommendation for these four programs totals $1.4 million, the same amount appropriated for fiscal year 2003. In fiscal year 2004, funding for these programs will be transferred to institutional base budgets as follows:

Career Academy	Amount	Institution
International Career Academy	$165,100	Illinois Mathematics and Science Academy
International High School	$420,700	University of Illinois at Urbana-Champaign
Economic and Finance High School	$420,700	Northern Illinois University
Public Policy High School	$420,700	University of Illinois at Springfield

Higher Education Cooperation Act (HECA) – Workforce and Economic Development. These grants support cooperative economic development initiatives involving Illinois colleges and universities, local school districts, and Illinois businesses to help Illinois sustain strong economic growth. Workforce training and economic development initiatives are aimed at promoting college and university assistance to Illinois business and industry. The grants recognize the special capabilities and geographical location of Illinois colleges and universities and leverage their efforts to improve the productivity and competitiveness of small and medium-sized manufacturers--particularly in cooperation with the Illinois Manufacturing Extension Center and the Chicago Manufacturing Center. The grants also support the use of technology to expand and enhance the delivery of instruction and workforce preparation and development systems. In fiscal year 2003, funding for this HECA grant category was eliminated and none of the $5.2 million in proposed projects were supported. The fiscal year 2004 recommendation totals $750,000.

Teaching and Learning

The fiscal year 2004 budget recommendations for grant programs and initiatives that advance statewide goals to support improvements in teaching and learning at all levels total $5.6 million, an increase of $900,000, or 19.1 percent, over fiscal year 2003 appropriations. The recommendations include $900,000 in state general funds support and $4.7 million in federal funds. The recommendations for fiscal year 2004 are displayed on Table VII-3.

Improving Teacher Quality State Grant Program. On January 8, 2002, President Bush signed into law the "No Child Left Behind Act of 2001." This act reauthorizes national educational programs under the Elementary and Secondary Education Act. Title II, Part A, "Teacher and Principal Training and Recruiting Fund" (hereinafter referred to as Improving Teacher Quality State Grant Program) replaced the Dwight D. Eisenhower Professional Development Program. The purpose of the "Improving Teacher Quality State Grant Program" is to make competitive grants to eligible partnerships comprised of at least one higher education institution and high-need local education agencies (LEA's). These partnerships use grant funds to conduct professional development activities in core academic subjects to ensure that teachers, paraprofessionals, and (as appropriate) principals have subject matter knowledge in academic subjects they teach, or in computer-related technology to enhance instruction. In fiscal year 2004, spending authority of $4.7 million is recommended for this program.

Higher Education Cooperation Act (HECA) – Teaching, Learning, and Quality. *The Illinois Commitment* calls for higher education to join elementary and secondary education to improve teaching and learning at all levels. HECA - Teaching, Learning, and Quality grants support projects that address school-college partnerships that foster local collaboration to better integrate elementary and secondary schools, community colleges, and four-year institutions. The objectives of the grants are to encourage institutional cooperation, with the involvement of local communities, to achieve an effective and efficient use of educational resources, to extend access to educational services throughout the state, to support cooperative library initiatives, and to develop innovative approaches for delivering educational services. In fiscal year 2003, funding for this HECA grant category was eliminated and none of the $9.8 million in proposed projects were supported. The fiscal year 2004 recommendation totals $900,000.

Table VII-1

FY 2004 RECOMMENDATIONS
THE ILLINOIS COMMITMENT
ACCESS AND DIVERSITY

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Illinois Financial Assistance Act	$ 20,614.7	$ 21,235.0	$ 21,008.4	$ 391.7	1.9 %
Illinois Century Network	25,500.0	27,000.0	26,117.0	617.0	2.4
Graduation Incentive Grant Program	100.0	120.0	120.0	20.0	20.0
University Center of Lake County	1,000.0	1,000.0	1,000.0	-	-
Quad Cities Graduate Study Center	220.0	220.0	220.0	-	-
Consortium for Educational Opportunity Act	2,000.0	2,200.0	2,100.0	100.0	5.0
Access and Diversity, Higher Education Cooperation Act Grants	5,287.3	12,100.0	5,437.3	150.0	2.8
Total	$ 54,724.0	$ 63,875.0	$ 56,002.7	$ 1,278.7	2.3 %
Sources of Appropriated Funds					
General Funds	$ 54,724.0	$ 63,875.0	$ 56,002.7	$ 1,278.7	2.3 %
General Revenue Fund	31,701.2	40,852.2	32,979.9	1,278.7	4.0
Education Assistance Fund	23,022.8	23,022.8	23,022.8	-	-

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Table VII-2

FY 2004 RECOMMENDATIONS
THE ILLINOIS COMMITMENT
WORKFORCE AND ECONOMIC DEVELOPMENT

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations		FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Health Services Education Grants Act	$ 17,000.0		17,510.0	$ 16,100.0	$ (900.0)	(5.3) %
State Matching Grant Program	9,500.0		9,400.0	9,500.0	-	-
Advanced Photon Source -- Argonne National Laboratory	2,100.0	*	-	-	(2,100.0)	(100.0)
Illinois Consortium for Accelerator Research	2,500.0		2,500.0	2,500.0	-	-
Engineering Equipment Grants	2,600.0		2,678.0	2,600.0	-	-
Veterinary Medicine	2,000.0	**	2,000.0	2,000.0	-	-
Medical Scholarship Program/IDPH	2,750.0	***	2,750.0	2,750.0	-	-
Cooperative Work-Study Grants	2,100.0		2,100.0	2,100.0	-	-
State Geological Survey	1,600.0		1,600.0	1,600.0	-	-
Career Academy/International High School	1,427.0	****	1,427.0	1,427.0	-	-
Workforce and Economic Development, Higher Education Cooperation Act Grants	-		5,200.0	750.0	750.0	-
Total	$ 43,577.0		$ 47,165.0	$ 41,327.0	$ (2,250.0)	(5.2) %
Sources of Appropriated Funds						
General Funds	$ 39,077.0		$ 42,665.0	$ 36,827.0	$ (2,250.0)	(5.8) %
General Revenue Fund	36,043.2		39,631.2	33,793.2	(2,250.0)	(6.2)
Education Assistance Fund	3,033.8		3,033.8	3,033.8	-	-
Tobacco Proceeds Recovery Fund	4,500.0		4,500.0	4,500.0	-	-

* Last year of five-year funding commitment

** Funding will be transferred to the University of Illinois at UrbanaChampaign in fiscal year 2004

*** Appropriated to the Illinois Department of Public Health

****Funding for the Career Academies will be transferred to institutions in fiscal year 2004 as follows: $165.1 to the Illinois Mathematics and Science Academy, $420.7 to the University of Illinois at Urbana/Champaign, $420.7 to Northern Illinois University, and $420.7 to the University of Illinois at Springfield

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Table VII-3

FY 2004 RECOMMENDATIONS
THE ILLINOIS COMMITMENT
TEACHING, LEARNING, AND QUALITY

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Preparing, Training, and Recruiting High Quality Teachers and Principals Program	$ 4,700.0	$ 4,700.0	$ 4,700.0	-	- %
Teaching, Learning, and Quality, Higher Education Cooperation Act Grants	-	9,800.0	900.0	$ 900.0	-
Total	$ 4,700.0	$ 14,500.0	$ 5,600.0	$ 900.0	19.1 %
Sources of Appropriated Funds					
General Funds	$ -	$ 9,800.0	$ 900.0	$ 900.0	- %
General Revenue Fund	-	9,800.0	900.0	900.0	-
Education Assistance Fund	-	-	-	-	-
IBHE Federal Grants Fund	4,700.0	4,700.0	4,700.0	-	-

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VIII. AGENCIES

Illinois Mathematics and Science Academy

The Illinois Mathematics and Science Academy is a residential institution for sophomore, junior, and senior high school students who are gifted in the fields of mathematics and science. The mission of the Academy is twofold: to offer a full curriculum and challenging educational experiences for its students, and to promote excellence and provide service to all Illinois educators with programs aimed at improving instruction and curricula in mathematics, science, and technology. Since its creation, the Academy has graduated nearly 2,600 students who have consistently ranked in the top one percent on national tests (ACT, SAT, etc.), gained admission to the nation's top colleges and universities, and majored in math, science, and technology fields in higher proportions than students from other schools. The Academy also has provided professional development for more than 10,000 Illinois teachers and enrichment programs for 12,000 students located throughout Illinois. The Academy has provided leadership in the development of the Illinois Learning Standards and development of quality criteria for professional development, and administered the Illinois Virtual High School.

The Illinois Mathematics and Science Academy experienced one of the largest budget reductions within higher education in fiscal year 2003. State general funds appropriations to the Academy for fiscal year 2003 totaled $13.5 million, a decrease of $3.1 million, or 18.6 percent, from fiscal year 2002 levels. Appropriations for personal services declined from $10.8 million to $8.2 million, a level comparable to the fiscal year 1996 appropriation. Among the actions taken by the Academy in response to these budget reductions were elimination of two outreach programs (including an alternative teacher certification program offered in conjunction with Illinois Benedictine University); imposition of staff salary reductions; layoffs; elimination of vacant positions; and postponement of preventive maintenance, technology equipment replacements, and infrastructure equipment replacements.

The fiscal year 2004 budget recommendations for the Illinois Mathematics and Science Academy (IMSA) total $17.3 million, including $15.3 million in state general funds. The state general funds recommendation represents an increase of $1.8 million, or 13.4 percent, over the fiscal year 2003 appropriation. The recommendation provides funds totaling $236,100 for an average two percent increase in faculty and staff salaries, for recruiting and retaining critical faculty and staff, and a two percent increase in Medicare/Social Security costs. The remaining funds recommended for the Academy will serve in restoring critical base functions that were seriously disrupted by fiscal year 2003 budget reductions. The magnitude and nature of the cuts imposed forced a number of unusual measures including a mandatory two percent salary reduction for all staff, the temporary reassignment of critical staff to Income Fund or grant sources sustainable for only one year, the one-time transfer of non-salary resources to support personnel costs, the elimination of two outreach programs, and the unprecedented utilization of student fees to support the operating expenses of the Academy. Student fees were increased by $550, or 61.1 percent, for the 2002-2003 academic year.

The fiscal year 2004 recommendation for the Illinois Mathematics and Science Academy is presented on Table VIII-1.

State Universities Civil Service System

Fiscal year 2004 recommendations for the State Universities Civil Service System total $1.4 million, an increase of $27,600, or 2.0 percent, over fiscal year 2003 appropriations. The recommendations provide funding for an average two percent salary increase, recruiting and retaining critical staff, and a two percent increase in Medicare/Social Security costs. The fiscal year 2004 recommendation for the System is presented on Table VIII-2.

Illinois Board of Higher Education

Fiscal year 2004 recommendations for the Illinois Board of Higher Education office operations total $13.3 million, including $10.1 million in spending authority from the federal contracts and grants fund. The recommendation for state general funds totals $3.2 million, an increase of $67,000, or 2.1 percent, over fiscal year 2003 appropriations. The recommendations provide for an average two percent salary increase, funds to recruit and retain critical staff, and a two percent increase in Medicare/Social Security costs. The amount recommended for the Illinois Board of Higher Education also includes $25,000 – the same level of support provided during the current fiscal year – for a grant to the Illinois Career Resource Network (formerly the Illinois Occupational Information Coordinating Council), a division of the Department of Employment Security. The Network coordinates the collection, organization, and dissemination of labor market and career information in Illinois. Several state agencies and boards support the work of the Network.

The fiscal year 2004 recommendation for Illinois Board of Higher Education office operations is presented on Table VIII-3.

State Universities Retirement System and Group Health Insurance

The State Universities Retirement System administers retirement annuities and other benefits, including death, disability, and survivors benefits, for employees of state universities, community colleges, and higher education agencies. The Department of Central Management Services administers group health insurance benefits for employees of public universities and higher education agencies and for retirees of community college districts (excluding City Colleges of Chicago).

The fiscal year 2004 recommendation for the State Universities Retirement System and group health insurance is summarized on Table VIII-4 and includes a general funds increase of $42.9 million, or 15.8 percent.

Retirement Contributions. Public Act 88-0593, enacted in 1994, revised the minimum annual state contribution to the State Universities Retirement System and four other state-supported retirement systems. The Act requires the minimum contribution to be an amount that, when added to other sources of employer contributions, is sufficient to meet the normal cost of maintaining the system and increase the funding ratio to 90 percent by 2045. The statute provided for a 15-year phase-in of this funding requirement beginning in fiscal year 1996. Annually, the State Universities Retirement System is to certify by November 15 the amount necessary to meet this statutory requirement, and this amount is appropriated without any further action required by the General Assembly and Governor. In accordance with statutes, this certification is based on the system's funding ratio on June 30.

Public Act 90-0019 requires the state retirement systems to carry investments "at a value determined in accordance with generally accepted accounting principles," enabling the state to comply with the Governmental Accounting Standards Board Statement 25 which requires public pension systems to report assets on a market value basis effective July 1, 1996. Recent actuarial losses from the investment markets have resulted in a funding ratio of total assets to total liabilities that decreased from 88.2 percent on June 30, 2000, to 72.1 percent on June 30, 2001, to 58.9 percent on June 30, 2002.

The State Universities Retirement System has certified a total of $350.0 million as the amount necessary to meet statutory funding requirements in fiscal year 2004. The state appropriated requirement is $311.7 million, an increase of $42.1 million, or 15.6 percent, over fiscal year 2003. This requirement assumes an additional contribution of $38.3 million will be made for employees paid from federal grants and contracts and trust funds. Of the total state appropriation requirement of $311.7 million, $295.7 million is required from state general funds and $16.0 million is expected to be available from the State Pensions Fund. The State Pensions Fund estimate is $660,000, or 4.0 percent, less than fiscal year 2003 levels.

Retirees Health Insurance. Public Act 90-0497 created a program to provide health insurance for retirees of community college districts. The budget recommendations for the State Universities Retirement System include the amount certified by the System to be transferred to the Department of Central Management Services to administer the health insurance program for retired community college faculty and staff. This program is funded through four funding sources: state appropriations, contributions paid by retirees, contributions from current community college employees, and payments made by each local community college district. The State Universities Retirement System is to certify by November 15 the amount necessary to meet this statutory requirement, and this amount is appropriated without any further action required by the General Assembly and Governor. The state-funding requirement for this program in fiscal year 2004 is $3,101,100, or $140,785 more than in fiscal year 2003.

Group Health Insurance. Historically, funds for costs related to the group health insurance program covering public university and higher education agency employees were appropriated to the Department of Central Management Services. In fiscal year 2002 and again in fiscal year 2003, $14.8 million were appropriated to the Illinois Board of Higher Education for payment to the Health Insurance Reserve Fund, reflecting higher education's share of increased costs incurred for the program. The fiscal year 2004 recommendations include $14.8 million for this purpose, the same amount that was appropriated in fiscal years 2002 and 2003.

In addition to the appropriation in fiscal years 2002 and 2003 to the Illinois Board of Higher Education for payment to the Health Insurance Reserve Fund, the Governor requested public universities to allocate a total of $45.0 million for payment to the Health Insurance Reserve Fund to cover increased program costs.

Table VIII - 1

FY2004 RECOMMENDATIONS
ILLINOIS MATHEMATICS AND SCIENCE ACADEMY

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Illinois Mathematics and Science Academy	$ 15,509.2	$ 17,882.6	$ 17,312.8	$ 1,803.6	11.6 %
Total	$ 15,509.2	$ 17,882.6	$ 17,312.8	$ 1,803.6	11.6 %
Sources of Appropriated Funds					
General Funds	$ 13,459.2	$ 15,832.6	$ 15,262.8	$ 1,803.6	13.4 %
General Revenue Fund	12,096.5	14,469.9	13,900.1	1,803.6	14.9
Education Assistance Fund	1,362.7	1,362.7	1,362.7	-	-
Illinois Mathematics and Science Academy Income Fund	2,050.0	2,050.0	2,050.0	-	-

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Table VIII - 2

FY2004 RECOMMENDATIONS
STATE UNIVERSITIES CIVIL SERVICE SYSTEM

(in thousands of dollars)

	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Resource Requirements					
Office Operations	$ 1,392.9	$ 1,605.8	$ 1,420.5	$ 27.6	2.0 %
Total	$ 1,392.9	$ 1,605.8	$ 1,420.5	$ 27.6	2.0 %
Source of Appropriated Funds					
General Funds	$ 1,392.9	$ 1,605.8	$ 1,420.5	$ 27.6	2.0 %
General Revenue Fund	1,210.6	1,423.5	1,238.2	27.6	2.3
Education Assistance Fund	182.3	182.3	182.3	-	-

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Table VIII - 3

FY 2004 RECOMMENDATIONS
BOARD OF HIGHER EDUCATION

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
Office Operations	$ 13,277.3	$ 13,389.0	$ 13,344.3	$ 67.0	0.5 %
Total	$ 13,277.3	$ 13,389.0	$ 13,344.3	$ 67.0	0.5 %
Source of Appropriated Funds					
General Funds	$ 3,167.3	$ 3,279.0	$ 3,234.3	$ 67.0	2.1 %
General Revenue Fund	2,745.2	2,856.9	2,812.2	67.0	2.4
Education Assistance Fund	422.1	422.1	422.1	-	-
IBHE Federal Grants Fund	10,110.0	10,110.0	10,110.0	-	-

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Table VIII - 4

FY2004 RECOMMENDATIONS
STATE UNIVERSITIES RETIREMENT SYSTEM AND GROUP INSURANCE

(in thousands of dollars)

Resource Requirements	FY2003 Appropriations	FY2004 Requests	FY2004 Recommendations	Increase Over FY2003	Percent Increase Over FY2003
State University Retirement System	$ 272,606.3	$ 321,091.1	$ 314,841.1	$ 42,234.8	15.5 %
Contributions to State University Retirement System*	269,646.0	317,990.0	311,740.0	42,094.0	15.6
General Funds	252,986.0	301,330.0	295,740.0	42,754.0	16.9
State Pension Fund	16,660.0	16,660.0	16,000.0	(660.0)	(4.0)
Community College Retirees Health Insurance	2,960.3	3,101.1	3,101.1	140.8	4.8
For Payment to Health Ins. Reserve Fund	$ 14,753.8	$ 14,753.8	$ 14,753.8	-	-
Source of Appropriated Funds					
General Funds	$ 270,700.1	$ 319,184.9	$ 313,594.9	$ 42,894.8	15.8 %
General Revenue Fund	270,700.1	319,184.9	313,594.9	42,894.8	15.8
Education Assistance Fund	-	-	-	-	-
State Pensions Fund	16,660.0	16,660.0	16,000.0	(660.0)	(4.0)

- Does not include Federal/Trust/Other resources of $32,000.0 in fiscal year 2003 and $38,250.0 in fiscal year 2004.

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CAPITAL IMPROVEMENTS

FISCAL YEAR 2004 CAPITAL RECOMMENDATIONS

The fiscal year 2004 recommendations for higher education capital improvements include Regular Capital projects and Capital Renewal allocations for projects to protect and enhance the state's current investment in higher education facilities at 12 public universities, 48 community college campuses, and the Illinois Mathematics and Science Academy. A total of $341.8 million in capital improvements is recommended for fiscal year 2004. This total is just $3.5 million, or 1.0 percent above the amount the Governor and General Assembly approved for fiscal year 2003.

The recommendations continue funding for Capital Renewal to address infrastructure repair and maintenance requirements and upgrade academic and instructional space for colleges and universities. Capital Renewal projects are generally of lesser size and scope than Regular Capital projects and generally will reduce the backlog of deferred maintenance on college and university campuses. These projects involve minor remodeling of facilities to repair buildings' exteriors; to upgrade electrical, mechanical, roofing, and plumbing systems; and to address safety and accessibility code requirements. Capital renewal projects also involve remodeling of classroom and laboratory areas for current educational and research program requirements.

The recommendations for Regular Capital provide funding for 31 projects, including 15 major remodeling projects designed to upgrade existing buildings and utility infrastructure to meet current use and code requirements and to provide site improvements. Planning funds for major renovation projects on two public university campuses are recommended, as are planning funds for one new facility on a third campus. The Regular Capital recommendations include funds for equipment to complete two renovated and expanded facilities on two public university campuses and one new facility on a third campus. Funds to begin construction of one new facility on a public university campus are included. Nine new community college facilities, or additions to existing facilities are recommended.

The fiscal year 2004 recommendations for higher education capital improvements total $341.8 million from requests totaling over $1.2 billion. Specific components of the recommendations include:

- $30.0 million for Capital Renewal projects, including $20.0 million in Capital Development Funds and $10.0 million in Build Illinois Bond Funds. Fiscal year 2004 is the last year of the five-year, $50.0 million Illinois FIRST initiative to provide $10.0 million each year for Capital Renewal projects at public universities and community colleges. A total of $10.0 million was provided in each of the Fiscal Years 2000 through 2003. The fiscal year 2004 recommendation includes $20.9 million for public universities and $9.1 million for community colleges.

- $311.8 million for Regular Capital projects, including $156.2 million for public universities, $152.6 million for community colleges, and $3.0 million for the Illinois Mathematics and Science Academy.

Four projects recommended for funding in fiscal year 2004 require an out-year commitment of capital resources totaling $154.2 million. A list of these projects is presented on Table A.

In the spring 2001 legislative session, a five-year, $250.0 million construction program was approved for Illinois' community colleges to reduce their reliance on temporary facilities. The funds may be used to replace existing temporary buildings with new facilities or to provide modifications to temporary buildings to make them permanent structures. A total of $100.0 million has been appropriated: $50.0 million in fiscal year 2002 and $50.0 million in fiscal year 2003. In April 2002 community colleges reported having approximately 1.6 million gross square feet (GSF) of temporary space. Projects funded to date from the $100.0 million will reduce the temporary space by approximately 291,200 GSF. While the Community Colleges Enhanced Construction Program is not included in the Board's recommendations for capital projects, the Board continues to support this initiative.

Selection and Prioritization of Recommended Projects

The Illinois Commitment and the *Master Plan Policies for Illinois Higher Education* serve as guides in selecting projects to be included in the budget recommendations. This ensures that recommended projects are consistent with and advance state and institutional priorities. Once projects are selected for inclusion in the recommendations, a priority list is developed, indicating the order in which projects should be funded. Factors considered in developing this list include whether:

- a commitment for a project has been made through prior appropriation(s) or authorizations,
- the status of an ongoing project for which planning or construction funds have been appropriated necessitates that funding be provided to complete the project in a timely fashion,
- the project addresses an emergency infrastructure problem, e.g. problems caused by fire or tornado damage, construction defects, or compliance with life, health, and safety code requirements,
- the project received a high ranking on a public university governing board's priority list, the Illinois Community College Board's priority list of community college projects, or the Illinois Mathematics and Science Academy's priority list, and
- the location of the project on the Illinois Board of Higher Education's prior year's priority list to encourage multi-year, statewide planning through a "living priority" list. After a project is recommended to the Governor and General Assembly for funding, the Board endeavors to advance its position on the list until it is funded.

Consistent with policies that place emphasis on maintaining and protecting existing higher education facilities, funding for Capital Renewal projects is the first priority on the fiscal year 2004 capital list. The Capital Renewal allocation provides each community college and public university with resources to undertake minor infrastructure improvements and helps reduce the deferred maintenance backlog.

Table A-9 in the Appendix presents the fiscal year 2004 priority list, and includes information for each project concerning its priority placement on the fiscal year 2003 statewide priority list, its placement on the fiscal year 2004 institutional or agency priority list, and other comments concerning the reasons for a project's specific placement on the fiscal year 2004 priority list, including conflicting factors. Table A-10 in the Appendix provides a history of capital improvement appropriations for the higher education community.

Capital Renewal

The highest priority of the fiscal year 2004 budget recommendations is Capital Renewal to provide critical remodeling and infrastructure improvements that maintain and protect the state's investment in educational facilities on the campuses of public universities and community colleges. These projects recognize the continuing need to address infrastructure requirements and to upgrade academic and research space for colleges and universities.

Accordingly, the fiscal year 2004 capital budget recommendations include $30.0 million to allow each institution to upgrade facilities and undertake repairs that might otherwise be deferred. Funds are allocated based upon the state-supported gross square footage of space for each campus. Recommendations for public university Capital Renewal projects total $20.9 million. Recommendations for community college Capital Renewal projects total $9.1 million. The allocation for community colleges is based on 100 percent of community college square footage and assumes that local funds will provide 25 percent of the cost of the projects supported with these grant funds.

Regular Capital

Recommendations for Regular Capital projects at public universities place priority on remodeling projects designed to upgrade instructional and instructional support areas. Included are funds to purchase equipment to complete major improvements to buildings at Eastern Illinois University and Southern Illinois University Carbondale. Major renovation projects are recommended for Illinois State University, Northern Illinois University, Southern Illinois University Carbondale, and the University of Illinois at Urbana-Champaign. Roof and window replacements and masonry repairs are recommended for the University of Illinois at Chicago. Recommendations are included for site improvements at Governors State University and for utility upgrades at Chicago State University and Eastern Illinois University. The Regular Capital recommendations include funds for planning for the major remodeling and expansion of the Science Laboratory Building at Southern Illinois University Edwardsville.

Funds are recommended to purchase equipment for a new convocation center at Chicago State University. Planning funds for a new education building at Northeastern Illinois University are recommended. Finally, funding is recommended for the first phase of construction of a performing arts center at Western Illinois University.

The recommendations for Regular Capital projects for community colleges place priority on the construction of new facilities and additions to existing facilities to meet increasing enrollments and special programmatic purposes. Construction funds are recommended for new facilities for Rock Valley College, Lake Land College, William Rainey Harper College, Illinois Valley Community College, the College of Lake County, and Heartland Community College. Recommendations include funds for additions at Parkland College and Rend Lake College. These projects eliminate or make permanent nearly 154,000 GSF of temporary space.

Projects to remodel buildings and upgrade utilities are included in the recommendations for Triton College, Joliet Junior College, William Rainey Harper College, and the College of DuPage. Funds to provide a new entrance to Elgin Community College are recommended.

The fiscal year 2004 recommendations include $3.0 million for the Illinois Mathematics and Science Academy to remodel laboratories. Recommended funds will be used to reconfigure existing laboratories and modernize the space.

Sections IX, X, and XI provide a description of each project recommended for funding in fiscal year 2004. The descriptions include an estimate of any associated increase in operations and maintenance costs related to the recommended projects.

Deferred Maintenance

The fiscal year 2001 budget recommendations presented a multi-year plan to reduce the $1.2 billion backlog of deferred maintenance to below $50 million in approximately ten years. In fall 2002 institutions estimate a $1.6 billion backlog, and a number of factors can be identified to account for the increase. Since fiscal year 2001, institutions have reassessed their facilities and infrastructure and found initial estimates of deferred maintenance were understated. In fiscal years 2001 through 2003, a total of $90.0 million has been made available for Capital Renewal as projected. However, projected appropriations for Regular Capital projects to reduce deferred maintenance have not been realized. In fiscal years 2001 and 2002, the General Assembly and Governor provided a total of $6.8 million in new general funds, the Board's recommendations, for public universities and community colleges to address the deferred maintenance backlog. In fiscal year 2003, budget recommendations and final appropriations did not include new general funds for deferred maintenance due to the austere economic environment. In addition, budget rescissions in fiscal year 2002, a reduced general funds budget in fiscal year 2003, and the required expenditure of $45.0 million by public universities for group health insurance costs have resulted in institutions reallocating funds from deferred maintenance projects to academic areas to minimize the disruption of student programs and to other unavoidable expenditures. While the reduction of the deferred maintenance backlog continues to be a priority for institutions and for the Board, the fiscal year 2004 general funds recommendations do not include new operating funds for deferred maintenance.

Table A

FISCAL YEAR 2004
IMPACT OF CAPITAL RECOMMENDATIONS ON FUTURE BUDGETS

(in thousands of dollars)

Institution/Project	Prior Allocations	FY2004 Recommendation	Future Year	Nonstate Funds	Total
Northeastern Illinois University					
Education Building	$ 1,000.0	$ 2,697.6	$ 43,702.4 *		$ 47,400.0
Western Illinois University					
Convocation Center	4,000.0	22,500.0	22,500.0		49,000.0
Southern Illinois University Carbondale					
Communications Building Renovation and Addition	4,886.7	4,896.4	530.5	$ 5,000.0	15,313.6
Southern Illinois University Edwardsville					
Science Laboratory Building Renovation and Expansion	350.0	1,765.4	40,392.7 *		42,508.1
TOTAL	$ 10,236.7	$ 31,859.4	$ 107,125.6	$ 5,000.0	$ 154,221.7

* Excludes a future allocation for equipment to be determined.

IX. PUBLIC UNIVERSITIES

CHICAGO STATE UNIVERSITY

Fiscal year 2004 capital budget recommendations for Chicago State University total $6.5 million, including $6.0 million for Regular Capital projects and $483,100 for Capital Renewal projects. Table IX-1 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-1 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Primary Electrical Feeder Cable (Utilities, $1,000,000)

This project provides for the replacement of high voltage, primary electrical feeder cables. Subsidence of a main paved access way to the center of campus has caused the partial failure of the high voltage duct bank carrying the main feeders from the Commonwealth Edison Company switchgear in the transformer yard to the main campus switchgear in the Physical Plant Building. Complete failure of the duct bank will cut power for the entire campus. Several 50-foot exterior light poles also have failed and will be replaced to provide lighting on the campus perimeter.

Convocation Center (Equipment, $5,000,000)

This project provides for the purchase of moveable equipment to complete the construction of the Emil and Patricia Jones Convocation Center. The center will provide an on-site facility in which to hold commencement exercises and convocations, will allow the university to interact with the community by hosting meetings that benefit the student body and the community at large, and will support the growth experienced in the arts programs. The center will house broadcasting, arts, music, speech, and theater programs. Equipment to be purchased includes office and classroom furniture; food service equipment; media, broadcasting, and teleconferencing equipment; performance lighting and controls; audio-visual equipment; storage shelving and cabinets; and other specialized items for the programs housed in the center. The total estimated cost of the project is $36,400,000, including $31,400,000 in prior year appropriations and allocations for planning, construction, and equipment. The University estimates the annual cost to operate and maintain the center will be $1,090,840.

Capital Renewal

Capital Renewal Projects (Remodeling, $483,100)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

TABLE IX-1
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Chicago State University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Primary Electrical Feeder Cable (Utilities)	$ 1,000.0	$ 1,000.0	-	-	-	$ 1,000.0
Convocation Center	36,400.0	5,000.0	$ 31,400.0	-	-	5,000.0
(Planning)	1,791.1	-	1,791.1	-	-	-
(Buildings)	25,688.0	-	25,688.0	-	-	-
(Equipment)	7,400.0	5,000.0	2,400.0	-	-	5,000.0
(Site Improvements)	1,000.0	-	1,000.0	-	-	-
(Utilities)	520.9	-	520.9	-	-	-
Williams Science Center Remodeling (Remodeling)	8,345.0	8,345.0	-	-	-	-
Science and Technology Center	112,367.9	2,500.0	-	$ 109,867.9	-	-
(Planning)	10,000.4	2,500.0	-	7,500.4	-	-
(Buildings)	87,967.5	-	-	87,967.5	-	-
(Equipment)	7,200.0	-	-	7,200.0	-	-
(Site Improvements)	2,400.0	-	-	2,400.0	-	-
(Utilities)	4,800.0	-	-	4,800.0	-	-
College of Business Building	28,739.6	1,876.0	-	26,863.6	-	-
(Planning)	2,501.3	1,876.0	-	625.3	-	-
(Buildings)	20,938.3	-	-	20,938.3	-	-
(Equipment)	3,100.0	-	-	3,100.0	-	-
(Site Improvements)	1,100.0	-	-	1,100.0	-	-
(Utilities)	1,100.0	-	-	1,100.0	-	-
Roadway Improvements (Site Improvements)	1,000.0	1,000.0	-	-	-	-
Total, Regular Capital Projects	187,852.5	19,721.0	31,400.0	136,731.5	-	6,000.0
Capital Renewal Projects	2,383.0	2,383.0	-	-	-	483.1
Grand Total	$ 190,235.5	$ 22,104.0	$ 31,400.0	$ 136,731.5	-	$ 6,483.1

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EASTERN ILLINOIS UNIVERSITY

Fiscal year 2004 capital budget recommendations for Eastern Illinois University total $8.0 million, including $7.3 million for Regular Capital projects and $773,300 for Capital Renewal projects. Table IX-2 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-2 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Electrical Distribution System Upgrade (Utilities, $4,217,100)

This project provides for replacing the campus electrical distribution system, including an upgrade of the main campus substation. The existing underground high voltage electrical distribution system consists of lead-covered cables, which are original to most of the campus core and have been in service over 40 years. In 1995 the University experienced a major electrical outage resulting from problems with the local utility and distribution cabling. Since then, the University has experienced seven additional failures on the high voltage distribution systems, forcing academic, residential, and administrative buildings to be out of service for extended periods. The most recent failure was in November 2002 when cable failure resulted in power loss in three residence halls and three academic buildings for nine hours and significant damage to a residence hall transformer. This project will provide a reliable electrical distribution system that will serve the University approximately 50 years.

Fine Arts Center Renovation and Expansion (Equipment, $1,500,000)

This project provides for the purchase of moveable equipment to complete the rehabilitation and expansion of the Fine Arts Center. The completed 208,600-GSF facility will provide 124,700 NASF for classrooms and teaching laboratories, offices, and general and special use areas for the University's Fine Arts programs. Equipment needs include classroom and office furniture, moveable practice rooms, computers and networking equipment, and other specialized items for the programs to be housed in the facility. The total estimated cost of this project is $53,833,600, including prior year appropriations totaling $52,333,600 for planning, land acquisition, remodeling, construction, and equipment. The University estimates the annual cost to operate and maintain the center will be $825,000.

Chilled Water Loop Extension (Utilities, $1,542,100)

In 1995 the University initiated design of a chilled water loop to connect air conditioning systems among four buildings to improve energy efficiency and reliability. Due to the project's success, the University installed extensions to the central loop to serve the west and north-central campus buildings and a loop to serve the south quad buildings. This project provides for extending the central chilled water loop south from Booth Library, under Garfield Avenue via the recently completed steam tunnel, connecting to the south quad loop. In addition, the project provides an extension to the north to provide hookups for the four north quad campus buildings. This project will join the existing north, central, and west loops with the south quad and north quad users, bringing to 21 the total number of buildings piped into the loop. This project will increase the reliability of cooling systems and will allow more efficient use of energy year-round.

Capital Renewal

Capital Renewal Projects (Remodeling, $773,300)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-2

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Eastern Illinois University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Electrical Distribution System Upgrade (Utilities)	$ 4,617.1	$ 4,217.1	$ 400.0	-	-	$ 4,217.1
Fine Arts Center Renovation and Expansion	53,833.6	1,500.0	52,333.6	-	-	1,500.0
(Planning)	4,305.6	-	4,305.6	-	-	-
(Land Acquisition)	345.6	-	345.6	-	-	-
(Buildings)	34,553.3	-	34,553.3	-	-	-
(Equipment)	7,500.0	1,500.0	6,000.0	-	-	1,500.0
(Remodeling)	6,767.9	-	6,767.9	-	-	-
(Utilities)	173.9	-	173.9	-	-	-
(Site Improvements)	187.3	-	187.3	-	-	-
Chilled Water Loop Extension (Utilities)	1,542.1	1,542.1	-	-	-	1,542.1
HVAC and Plumbing Systems Rehabilitation, Life Science Building and Coleman Hall (Remodeling)	2,802.1	2,802.1	-	-	-	-
Science Building	67,176.0	7,094.0	-	$ 60,082.0	-	-
(Planning)	7,094.0	7,094.0	-	-	-	-
(Buildings)	52,024.0	-	-	52,024.0	-	-
(Land Acquisition)	1,000.0	-	-	1,000.0	-	-
(Equipment)	6,000.0	-	-	6,000.0	-	-
(Utilities)	1,058.0	-	-	1,058.0	-	-
Utilities Infrastructure Upgrade (Utilities)	27,860.0	27,860.0	-	-	-	-
Network Fiber Optic Infrastructure (Remodeling)	6,000.0	6,000.0	-	-	-	-
Total, Regular Capital Projects	163,830.9	51,015.3	52,733.6	60,082.0	-	7,259.2
Capital Renewal Projects	2,156.2	2,156.2	-	-	-	773.3
Grand Total	$ 165,987.1	$ 53,171.5	$ 52,733.6	$ 60,082.0	-	$ 8,032.5

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GOVERNORS STATE UNIVERSITY

Fiscal year 2004 capital budget recommendations for Governors State University total $2.2 million, including $1.9 million for Regular Capital projects and $284,600 for Capital Renewal projects. Table IX-3 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-3 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Campus Roadway and Sidewalk Renovation (Site Improvements, $1,902,900)

This project provides for improving and replacing roads, curbs, sewers, and sidewalks to address growth at the campus and the aging of infrastructure. The new Family Development Center has been constructed along the southern corridor of the campus. A new southern entrance, joined to the main campus facility north of Dralle Road, will provide better access to the Family Development Center for children coming from the Crete-Monee and University Park School Districts and will alleviate traffic congestion presently experienced on campus. The University expects to cooperate with the Village of University Park to create an overpass over the railroad tracks at the western edge of the campus to improve traffic flow, further reinforcing the need for a southern entrance to the campus. A traffic control signal will be installed at the intersection of University Drive and Stuenkel Road, and directional, regulatory, pedestrian control, and handicap signage will be provided as required.

Capital Renewal

Capital Renewal Projects (Remodeling, $284,600)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-3

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Governors State University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Regular Capital Projects						
Campus Roadway and Sidewalk Renovation (Site Improvements)	$ 1,902.9	$ 1,902.9	-	-	-	$ 1,902.9
Total, Regular Capital Projects	1,902.9	1,902.9	-	-	-	1,902.9
Capital Renewal Projects	1,070.0	1,070.0	-	-	-	284.6
Grand Total	$ 2,972.9	$ 2,972.9	-	-	-	$ 2,187.5

ILLINOIS STATE UNIVERSITY

Fiscal year 2004 capital budget recommendations for Illinois State University total $23.7 million, including $22.1 million for Regular Capital projects and $1.5 million for Capital Renewal projects. Table IX-4 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-4 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Life Safety Improvements – Stevenson and Turner Halls (Remodeling, $22,145,000)

This project provides for remodeling of Stevenson Hall, which was constructed in 1968 and houses the College of Arts and Sciences, and Turner Hall, which was constructed in 1963 and houses the College of Applied Science and Technology. The replacement of fire alarm systems and improvements to electrical systems will provide code compliance, meet the requirements of the Americans with Disabilities Act, ensure compatibility with the town of Normal fire protection services, and ensure proper service to alarm and fire protection systems. The project also includes installation of a new control panel to communicate with the University's fire monitoring system, smoke detectors, heat detectors, horns, visuals, pull stations, door closures, new wiring, and proper exit lighting. Modifications will be made to provide heating, ventilating, and air conditioning shutdown and elevator-recall capability. Fire-stopping material will be installed around piping and conduit, sprinklers, and fire dampers where ductwork penetrates a firewall. Classroom equipment will be replaced, and building infrastructure will be repaired to prevent further interior damage. The project also includes asbestos abatement.

Capital Renewal

Capital Renewal Projects (Remodeling, $1,532,000)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-4

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois State University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Life Safety Improvements - Stevenson and Turner Halls	$ 22,145.0	$ 22,145.0	-	-	-	$ 22,145.0
(Planning)	1,905.0	1,905.0	-	-	-	1,905.0
(Equipment)	1,300.0	1,300.0	-	-	-	1,300.0
(Remodeling)	18,940.0	18,940.0	-	-	-	18,940.0
Power Plant and Utility Distribution System Upgrade	18,540.0	18,540.0	-	-	-	-
(Planning)	1,936.0	1,936.0	-	-	-	-
(Buildings)	2,060.0	2,060.0	-	-	-	-
(Remodeling)	1,030.0	1,030.0	-	-	-	-
(Utilities)	13,514.0	13,514.0	-	-	-	-
Wellness and Activity Center	42,000.0	19,000.0	-	-	$ 21,794.0	-
(Planning)	3,463.5	1,568.3	-	-	1,895.2	-
(Buildings)	33,966.5	15,311.3	-	-	18,655.2	-
(Land Acquisition)	2,320.0	1,076.4	-	-	1,243.6	-
(Equipment)	2,250.0	1,044.0	-	-	1,206.0	-
Centennial East and West and Center for the Visual Arts Rehabilitation	26,780.0	26,780.0	-	-	-	-
(Planning)	2,575.0	2,575.0	-	-	-	-
(Buildings)	10,300.0	10,300.0	-	-	-	-
(Remodeling)	7,725.0	7,725.0	-	-	-	-
(Utilities)	5,150.0	5,150.0	-	-	-	-
(Site Improvements)	1,030.0	1,030.0	-	-	-	-
Williams Hall Renovation	15,965.0	15,965.0	-	-	-	-
(Planning)	1,493.5	1,493.5	-	-	-	-
(Remodeling)	14,471.5	14,471.5	-	-	-	-
Milner Library Expansion and Rehabilitation	45,000.0	45,000.0	-	-	-	-
(Planning)	4,200.0	4,200.0	-	-	-	-
(Buildings)	20,000.0	20,000.0	-	-	-	-
(Remodeling)	16,500.0	16,500.0	-	-	-	-
(Equipment)	4,300.0	4,300.0	-	-	-	-
Total, Regular Capital Projects	170,430.0	147,430.0	-	-	21,794.0	22,145.0

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Table IX-4 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois State University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Capital Renewal Projects	$ 1,532.0	$ 1,532.0	-	-	-	$ 1,532.0
Grand Total	$ 170,756.0	$ 148,962.0	-	-	$ 21,794.0	$ 23,677.0

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NORTHEASTERN ILLINOIS UNIVERSITY

Fiscal year 2004 capital budget recommendations for Northeastern Illinois University total $3.3 million, including $2.7 million for Regular Capital projects and $575,500 for Capital Renewal projects. Table IX-5 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-5 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Education Building (Planning, $2,697,600)

This project provides for planning the construction of a 189,700-GSF education building to consolidate the University's teacher education programs in one centralized location. Currently, departments of the College of Education are located in various campus buildings with offices, meeting rooms, classrooms, laboratories, clinics, and resource rooms decentralized. The Chicago Teachers' Center, currently located in an off-campus leased facility, also will be relocated to the new education building. The new facility will house classrooms wired and equipped for new technologies and audio/video media, including distance education activities; clinics and laboratories for graduate and undergraduate students, as well as teachers returning for continuing education; a conference center; and a research and professional development center. It will accommodate specialized classrooms for Science Methods and Early Childhood and clinical areas for Special Education, Reading, and Counselor Education. It will be constructed adjacent to the Physical Education and Science buildings to provide synergy between students in the College of Education and the College of Arts and Sciences.

The project will provide 118,270 NASF, including 24,000 NASF for classrooms, 17,185 NASF for laboratories, 30,065 NASF for offices, and 47,020 NASF for general use and support space. Campus utilities and mechanical systems, including the heating, ventilation, air conditioning, water loop, sewer system, stormwater detention system, and electrical system, will be extended and expanded to support the new building. A service drive will be provided from the east at St. Louis Avenue. The University estimates it will save approximately $263,050 in annual lease costs with the planned relocation of the Chicago Teachers' Center to the main campus. The University estimates the annual cost to operate and maintain the building will be $1,542,800. The total estimated cost of the project is $47,400,000, including a prior allocation of $1,000,000 for planning and future allocation of $43,702,400 for construction, site improvements, and utilities. The estimated cost excludes a future allocation for moveable equipment.

Capital Renewal

Capital Renewal Projects (Remodeling, $575,500)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-5

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Northeastern Illinois University

(in thousands of dollars)

Classification/Budget/Project Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Education Building	$ 47,400.0	$ 47,400.0	-	-	-	$ 2,697.6
(Planning)	3,697.6	3,697.6	-	-	-	2,697.6 *
(Buildings)	43,702.4	43,702.4	-	-	-	-
(Equipment)	-	-	-	- **	-	-
Center for Inner City Studies Remodeling, Phase I (Remodeling)	4,467.6	4,467.6	-	-	-	-
Classroom Building Remodeling (Remodeling)	6,212.2	6,212.2	-	-	-	-
Total, Regular Capital Projects	58,079.8	58,079.8	-	-	-	2,697.6
Capital Renewal Projects	2,888.6	2,888.6	-	-	-	575.5
Grand Total	$ 60,968.4	$ 60,968.4	-	-	-	$ 3,273.1

* Recommendation excludes $1,000.0 allocated from Illinois FIRST lump sum appropriation.

** To be determined.

NORTHERN ILLINOIS UNIVERSITY

Fiscal year 2004 capital budget recommendations for Northern Illinois University total $18.6 million, including $16.9 million for Regular Capital projects and $1.7 million for Capital Renewal projects. Table IX-6 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-6 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Stevens Building Renovation and Addition (Remodeling, $16,903,000)

This project provides for the renovation and expansion of the 67,000-GSF Stevens Building, constructed in 1959 to house the Art, Music, and Theatre Programs. The Art and Music Programs subsequently have moved to new facilities with space adequate to meet their needs; thus, improvements provided by this project will accommodate the needs of the Departments of Anthropology and Theatre Arts and the computer laboratories currently housed in the facility, and will provide upgrades necessary for efficient operation of the facility. Partitions and walls will be demolished and the space will be reconfigured; mechanical, electrical, heating, ventilating, air conditioning, and lighting systems will be upgraded; windows, ceilings, and floor tile will be replaced; the exterior will be tuckpointed; and new interior finishes will be provided. Improvements will ensure compliance with the Americans with Disabilities Act, and asbestos will be abated. A 33,080-GSF addition to the east side of the facility will provide 17,956 NASF for a black box theatre and support space for the Department of Theater Arts. Moveable equipment will be provided for the new addition. The University estimates the annual cost to operate and maintain the expanded facility will be $170,400.

Capital Renewal

Capital Renewal Projects (Remodeling, $1,738,500)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-6

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Northern Illinois University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Regular Capital Projects						
Stevens Building Renovation and Addition	$ 16,903.0	$ 16,903.0	-	-	-	$ 16,903.0
(Planning)	1,485.6	1,485.6	-	-	-	1,485.6
(Remodeling)	8,494.1	8,494.1	-	-	-	8,494.1
(Buildings)	5,315.2	5,315.2	-	-	-	5,315.2
(Equipment)	1,608.1	1,608.1	-	-	-	1,608.1
Electrical Infrastructure and Wirtz Hall Renovation, Phase II	10,944.3	10,944.3	-	-	-	-
(Planning)	932.3	932.3	-	-	-	-
(Remodeling)	9,045.1	9,045.1	-	-	-	-
(Equipment)	966.9	966.9	-	-	-	-
Computer Science and Technology Center	26,391.8	26,391.8	-	-	-	-
(Planning)	1,903.8	1,903.8	-	-	-	-
(Building)	19,291.6	19,291.6				
(Equipment)	5,196.4	5,196.4	-	-	-	-
Academic Buildings Improvements (Remodeling)	14,666.4	14,666.4	-	-	-	-
Hoffman Estates Education Center Expansion	28,302.4	19,157.6	$ 1,314.5	-	$ 7,830.3	-
(Planning)	1,314.5	-	1,314.5	-	-	-
(Buildings)	21,987.9	19,157.6	-	-	2,830.3	-
(Land Acquisition)	5,000.0	-	-	-	5,000.0	-
Campus Roadway Repair and Reconfiguration (Site Improvements)	5,155.6	5,155.6	-	-	-	-
Gilbert Hall Renovation	16,304.2	886.9	-	$ 15,417.3	-	-
(Planning)	1,311.3	886.9	-	424.4	-	-
(Remodeling)	14,575.9	-	-	14,575.9	-	-
(Equipment)	417.0	-	-	417.0	-	-
Elevator Rehabilitation & Renovation (Remodeling)	3,102.1	3,102.1	-	-	-	-
Campus Signage and Wayfinding (Site Improvements)	4,336.7	4,336.7	-	-	-	-
Total, Regular Capital Projects	126,106.5	101,544.4	1,314.5	15,417.3	7,830.3	16,903.0

Table IX-6 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Northern Illinois University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	$ State Funds FY2004 Request	Prior Year	Future Year	Non-State Funds	FY2004 Recommendation
Capital Renewal Projects	$ 2,987.0	2,987.0	-	-	-	$ 1,738.5
Grand Total	$ 129,093.5	$ 104,531.4	$ 1,314.5	$ 15,417.3	$ 7,830.3	$ 18,641.5

WESTERN ILLINOIS UNIVERSITY

Fiscal year 2004 capital budget recommendations for Western Illinois University total $23.7 million, including $22.5 million for Regular Capital projects and $1.2 million for Capital Renewal projects. Table IX-7 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-7 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Performing Arts Center (Buildings, $22,500,000)

Currently the University's Music and Theater Departments use Hainline Theater and Simpkins Recital Hall for over 200 events annually. Western Hall, a multi-purpose facility, is used for musical performances with larger audiences. The University and community do not have a facility that provides optimal visual and acoustical quality and support space for the variety of cultural and civic events scheduled for presentation on the campus.

This project provides for planning and preliminary construction of a 110,000-GSF performing arts center to provide 75,000 NASF for student convocations, College of Fine Arts and Communications recitals, Bureau of Cultural Affairs performing arts series events, lectures, graduation ceremonies, and local arts and civic functions. The center will include a 1,900-seat proscenium theater auditorium with a stage and full rigging; a 300-seat thrust stage theater; a 150-seat black box/studio theater; a loading dock with adjacent staging; ticket, projection, recording, and sound booths; a scene shop; two green rooms; a main gallery and lobby; restrooms; and janitorial space. The project also provides for site improvements, including drives and parking facilities, and utility infrastructure connections. The University estimates the annual cost to operate and maintain the center will be $1,540,000. The total estimated cost of the project is $49,000,000, including a prior allocation of $4,000,000 for planning and a future allocation totaling $22,500,000.

Capital Renewal

Capital Renewal Projects (Remodeling, $1,188,300)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-7

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Western Illinois University

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	 Prior Year	 Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Performing Arts Center	$ 49,000.0	$ 45,000.0	$ 4,000.0	-	-	$ 22,500.0
(Planning)	4,661.7	661.7	4,000.0	-	-	661.7
(Buildings)	36,626.3	36,626.3	-	-	-	21,838.3
(Equipment)	5,400.0	5,400.0	-	-	-	-
(Site Improvements)	2,312.0	2,312.0	-	-	-	-
Quad Cities Facility (Moline)	10,000.0	10,000.0	-	-	-	-
(Planning)	1,278.7	1,278.7	-	-	-	-
(Remodeling)	8,546.3	8,546.3	-	-	-	-
(Equipment)	175.0	175.0	-	-	-	-
Life Safety Improvements, Phase I	17,235.0	8,000.0	-	$ 9,235.0	-	-
(Planning)	2,169.1	982.4	-	1,186.7	-	-
(Remodeling)	15,065.9	7,017.6	-	8,048.3	-	-
Multicultural Center	2,700.0	2,700.0	-	-	-	-
(Planning)	398.4	398.4	-	-	-	-
(Buildings)	2,165.3	2,165.3	-	-	-	-
(Equipment)	16.3	16.3	-	-	-	-
(Site Improvements)	120.0	120.0	-	-	-	-
Simpkins Hall Infrastructure Rehabilitation and Theatre Remodeling (Remodeling)	11,500.0	11,500.0	-	-	-	-
Total, Regular Capital Projects	90,435.0	77,200.0	4,000.0	9,235.0	-	22,500.0
Capital Renewal Projects	1,445.0	1,445.0	-	-	-	1,188.3
Grand Total	$ 91,880.0	$ 78,645.0	$ 4,000.0	$ 9,235.0	-	$ 23,688.3

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SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

Fiscal year 2004 capital budget recommendations for Southern Illinois University Carbondale total $9.5 million, including $7.0 million for Regular Capital projects and $2.4 million for Capital Renewal projects. Table IX-8 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-8 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Morris Library Renovation and Addition (Equipment, $2,121,800)

This project provides for the purchase of moveable equipment to complete improvements to the Morris Library. The existing 272,673-GSF library was completed in 1956 and 1964. Improvements to the structure include upgrade of mechanical systems; installation of building automation systems; and replacement of fire alarms, the electrical wiring system including the primary electrical service, and carpet. Climate control will be improved to achieve year-round comfortable temperatures. A 50,000-GSF addition to the library will be constructed to support distance learning, teleconferencing, and the use of technology in teaching and research. The space will serve as the center for instruction in library use, for circulating library materials, and for 24-hour study. The total estimated project cost is $29,730,700, including prior year appropriations totaling $27,608,900 for planning, construction, and equipment. The University estimates the annual cost to operate and maintain the addition will be $383,500.

Communications Building Renovation and Addition (Remodeling, $4,896,400)

Federal Communications Commission regulations mandate public television stations to broadcast by digital signal by May 2003 and to broadcast simultaneously both digital and analog signals until 2006. This project provides for construction of a 13,000-GSF addition to the Communications Building to house the equipment necessary to convert WSIU-TV and WUSI-TV (Olney) from an analog signal to a digital signal. The project also involves remodeling 7,000 NASF in the basement of the north wing of the Communications Building. The Cinema and Photography Department presently uses this area for editing, viewing, and studio instructional space. The project includes reconfiguring space to provide additional editing and viewing rooms, as well as improvements to acoustics, lighting, and heating, ventilating, and air conditioning systems. The total estimated cost of this project is $15,313,600, including the following for equipment: prior appropriations of state funds totaling $4,886,664 in fiscal years 2000, 2001, and 2002; a future allocation of $530,500 from state funds, and $5,000,000 in non-state funds. The University estimates the annual cost to operate and maintain the addition will be $99,700.

Capital Renewal

Capital Renewal Projects (Remodeling, $2,437,500)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-8

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Southern Illinois University Carbondale

(in thousands of dollars)

Classification/Budget/Project Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Morris Library Renovation and Addition	$ 29,730.7	$ 2,121.8	$ 27,608.9	-	-	$ 2,121.8
(Planning)	2,966.9	-	2,966.9	-	-	-
(Buildings)	10,300.0	-	10,300.0	-	-	-
(Equipment)	2,636.8	2,121.8	515.0	-	-	2,121.8
(Remodeling)	13,827.0	-	13,827.0	-	-	-
Communications Building Renovation and Addition	15,313.6	4,896.4	4,886.7	$ 530.5	$ 5,000.0	4,896.4
(Planning)	489.7	489.7	-	-	-	489.7
(Buildings)	2,781.0	2,781.0	-	-	-	2,781.0
(Equipment)	10,417.2	-	4,886.7	530.5	5,000.0	-
(Remodeling)	1,625.7	1,625.7	-	-	-	1,625.7
Transportation Education Center	37,152.7	1,999.7	-	35,153.0	-	-
(Planning)	3,715.2	1,999.7	-	1,715.5	-	-
(Buildings)	31,252.0	-	-	31,252.0	-	-
(Equipment)	2,185.5	-	-	2,185.5	-	-
Campus Fire Alarm Systems Upgrade	10,609.0	3,182.7	-	7,426.3	-	-
(Planning)	1,060.9	318.3	-	742.6	-	-
(Remodeling)	9,548.1	2,864.4	-	6,683.7	-	-
Neckers Building HVAC Renovation	3,377.2	3,377.2	-	-	-	-
(Planning)	337.7	337.7	-	-	-	-
(Remodeling)	3,039.5	3,039.5	-	-	-	-
Education and Research Facility, Springfield	45,108.0	5,356.0	-	39,752.0	-	-
(Planning)	3,520.0	2,056.0	-	1,464.0	-	-
(Land Acquisition)	3,300.0	3,300.0	-	-	-	-
(Buildings)	30,220.0	-	-	30,220.0	-	-
(Equipment)	2,000.0	-	-	2,000.0	-	-
(Utilities)	270.0	-	-	270.0	-	-
(Site Improvements)	390.0	-	-	390.0		
(Remodeling)	5,408.0	-	-	5,408.0	-	-

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Table IX-8 (continued)
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Southern Illinois University Carbondale

(in thousands of dollars)

Classification/Budget/Project Category	Total Estimated Project Cost	State Funds: FY2004 Request	State Funds: Prior Year	State Funds: Future Year	Non-State Funds	FY2004 Recommendation
Agriculture Building	$ 26,552.5	$ 1,858.7	-	$ 24,693.8	-	-
(Planning)	2,655.2	1,858.7	-	796.5	-	-
(Buildings)	12,800.0	-	-	12,800.0	-	-
(Equipment)	2,000.0	-	-	2,000.0	-	-
(Remodeling)	9,097.3	-	-	9,097.3	-	-
Communications Building Addition	18,787.2	1,315.1	-	17,472.1	-	-
(Planning)	1,878.7	1,315.1	-	563.6	-	-
(Buildings)	7,500.0	-	-	7,500.0	-	-
(Equipment)	1,400.0	-	-	1,400.0	-	-
(Remodeling)	8,008.5	-	-	8,008.5	-	-
Research Park Development	3,682.7	3,182.7	$ 500.0	-	-	-
(Planning)	368.3	318.3	50.0	-	-	-
(Utilities)	1,530.0	1,453.0	77.0	-	-	-
(Site Improvements)	1,784.4	1,411.4	373.0	-	-	-
Art and Design Building	13,905.0	973.4	-	12,931.6	-	-
(Planning)	1,390.5	973.4	-	417.1	-	-
(Buildings)	11,500.0	-	-	11,500.0	-	-
(Equipment)	1,014.5	-	-	1,014.5	-	-
Transgenic Barrier Facility (Remodeling)	2,125.0	2,125.0	-	-	-	-
Total, Regular Capital Projects	206,343.6	30,388.7	32,995.6	137,959.3	$ 5,000.0	$ 7,018.2
Capital Renewal Projects	8,349.5	8,349.5	-	-	-	2,437.5
Grand Total	$ 214,693.1	$ 38,738.2	$ 32,995.6	$ 137,959.3	$ 5,000.0	$ 9,455.7

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SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

Fiscal year 2004 capital budget recommendations for Southern Illinois University Edwardsville total $2.9 million, including $1.8 million for Regular Capital projects and $1.1 million for Capital Renewal projects. Table IX-9 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-9 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Science Laboratory Building Renovation and Expansion (Planning, $1,765,400)

The Science Laboratory Building, constructed in 1966, currently houses classrooms, instructional laboratories, and research laboratories for the Departments of Biological Sciences, Chemistry, Mathematics and Statistics, and Physics, and the Office of Science and Mathematics Education. The building also housed the Departments of Civil, Industrial, and Mechanical Engineering until the new engineering facility opened in 2000. Program growth in the sciences and engineering, along with the recognition of the importance of laboratory experiences for general education, have placed increasing demands on the aging facility, and piecemeal modifications to the building to accommodate programmatic changes have taxed the building's systems. The move of the engineering programs to the new facility freed up 16,000 GSF of laboratory and classroom space for expanding programs in the life and physical sciences and mathematics. This provides an opportunity to reconfigure the existing facility to improve efficiency and to provide additional research space, modern instructional laboratories and classrooms, and a healthier working environment for students and faculty.

This project provides for planning the construction of a 28,000-GSF chemistry wing to the Science Building, the renovation of 75,000 GSF in the laboratory wing, and the remodeling of approximately 4,700 GSF of office space for a new computer cluster. A portion of the current office wing will be converted to additional classroom space. Upgrades of the heating, ventilating, air conditioning, mechanical, plumbing, and electrical systems are included. Americans with Disabilities Act compliance will be addressed, as well as fire safety and safe storage and disposal of chemicals. Improvements to the existing auditorium wing will include replacement of approximately 2,000 square feet of single-pane glass with energy efficient glass and replacement of the upper auditorium with smaller classrooms. Fume hoods in instructional labs will be replaced, as needed, with variable volume airflow hoods to reduce energy consumption and to provide additional safety for students and staff. Specialized classrooms will be developed for the Department of Mathematics and Statistics and the Office of Science and Mathematics Education, and each laboratory science unit will have a dedicated laboratory. The total estimated cost of the project is $42,508,100, including a fiscal year 1999 appropriation of $350,000 for planning and a future allocation of $40,392,700 for additional planning, construction, and site improvements. The estimated cost excludes an allocation for equipment. The University estimates the annual cost to operate and maintain the chemistry wing will be $287,200.

Capital Renewal

Capital Renewal Projects (Remodeling, $1,144,700)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-9
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Southern Illinois University Edwardsville

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Science Laboratory Building Renovation and Expansion	$ 42,508.1	$ 1,765.4	$ 350.0	$ 40,392.7	-	$ 1,765.4
(Planning)	2,931.6	1,765.4	350.0	816.2	-	1,765.4
(Buildings)	14,765.2	-	-	14,765.2	-	-
(Equipment)	*	-	-	- *	-	-
(Remodeling)	24,811.3	-	-	24,811.3	-	-
School of Pharmacy Building	24,760.0	1,103.0	-	23,657.0	-	-
(Planning)	1,759.0	1,103.0	-	656.0	-	-
(Buildings)	15,696.6	-	-	15,696.6	-	-
(Equipment)	5,718.6	-	-	5,718.6	-	-
(Site Improvements)	1,585.8	-	-	1,585.8	-	-
Lovejoy Library/Textbook Services Renovation	20,642.0	999.1	-	19,642.9	-	-
(Planning)	1,661.9	999.1	-	662.8	-	-
(Equipment)	*	-	-	- *	-	-
(Remodeling)	18,980.1	-	-	18,980.1	-	-
Americans with Disabilities Act Compliance Renovation (Remodeling)	1,544.3	1,544.3	-	-	-	-
Alton Dental Facilities Consolidation	6,824.1	6,824.1	-	-	-	-
(Planning)	453.0	453.0	-	-	-	-
(Buildings)	5,222.0	5,222.0	-	-	-	-
(Remodeling)	1,149.1	1,149.1	-	-	-	-
Campus Seismic Upgrade, Phase I (Remodeling)	4,318.4	4,318.4	-	-	-	-
Total, Regular Capital Projects	100,596.9	16,554.3	350.0	83,692.6	-	1,765.4
Capital Renewal Projects	4,844.0	4,844.0	-	-	-	1,144.7
Grand Total	$ 105,440.9	$ 21,398.3	$ 350.0	$ 83,692.6	-	$ 2,910.1

* To be determined.

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UNIVERSITY OF ILLINOIS AT CHICAGO

Fiscal year 2004 capital budget recommendations for the University of Illinois at Chicago total $20.2 million, including $16.0 million for Regular Capital projects and $4.2 million for Capital Renewal projects. Table IX-10 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-10 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Roof and Window Replacement and Masonry Repairs (Remodeling, $16,000,000)

This project provides for replacing roofs, repairing masonry, and replacing or repairing curtain walls and windows. Included in the roofs to be replaced are those on the Human Resources Building, Physical Plant Building, and Paulina Street Building. The roof and skylights of Science and Engineering South will be replaced. All the roofs are over 30 years old and are leaking.

The masonry and windows of the College of Medicine West Tower are over 65 years old and are in need of repair or replacement to prevent further distress of the masonry and to improve energy efficiency. A number of the windows of the Physical Education Building are leaking or are cracked and will be replaced with energy efficient windows. Clinical Sciences North, built in the early 1920's, is the oldest building on campus, and its remaining steel sash and frame windows will be replaced with energy efficient windows. Damaged limestone lintels and decorative elements will be replaced, and the masonry exterior will be repaired.

The curtain wall of the Illinois Institute for the Developmentally Disabled building is leaking and will be replaced with a new curtain wall with low-e reflective glass and a moisture drainage system. Included in the project are replacement of the roof and roof drains and installation of energy efficient windows.

University Hall was constructed in the 1960s. The structural frame of the building consists of exposed, poured in-place, reinforced concrete columns; shear walls; and spandrel beams. The concrete is deteriorating, and the steel is corroding. Pre-cast window walls of the building are recessed three to six feet, creating exterior galleries, and the waterproofing membrane of the exterior galleries is deteriorating, allowing water to infiltrate the building. Exterior improvements and waterproofing are necessary to protect the interior of the building and to ensure the safety of its occupants.

Capital Renewal

Capital Renewal Projects (Remodeling, $4,165,900)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-10

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

University of Illinois at Chicago

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Roof and Window Replacement and Masonry Repairs (Remodeling)	$ 16,000.0	$ 16,000.0	-	-	-	$ 16,000.0
College of Business Administration Building	57,500.0	5,500.0	-	$ 23,250.0	$ 28,750.0	-
(Planning)	5,500.0	5,500.0	-	-	-	-
(Buildings)	45,126.0	-	-	16,376.0	28,750.0	-
(Equipment)	5,800.0	-	-	5,800.0	-	-
(Utilities)	1,074.0	-	-	1,074.0	-	-
Performing Arts Center (Planning)	131,500.0	12,000.0	-	119,500.0	-	-
Elevator Renovation (Remodeling)	5,100.0	5,100.0	-	-	-	-
Total, Regular Capital Projects	210,100.0	38,600.0	-	142,750.0	28,750.0	16,000.0
Capital Renewal Projects	6,525.0	6,525.0	-	-	-	4,165.9
Grand Total	$ 216,625.0	$ 45,125.0	-	$ 142,750.0	$ 28,750.0	$ 20,165.9

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UNIVERSITY OF ILLINOIS AT SPRINGFIELD

The fiscal year 2004 capital budget recommendations for the University of Illinois at Springfield totals $343,700 for Capital Renewal projects. Table IX-10 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-10 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources.

Capital Renewal

Capital Renewal Projects (Remodeling, $343,700)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-11
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
University of Illinois at Springfield

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Campus Infrastructure	$ 3,368.0	$ 3,368.0	-	-	-	-
(Buildings)	500.0	500.0	-	-	-	-
(Remodeling)	1,980.0	1,980.0	-	-	-	-
(Site Improvements)	888.0	888.0	-	-	-	-
Total, Regular Capital Projects	3,368.0	3,368.0	-	-	-	-
Capital Renewal Projects	495.0	495.0	-	-	-	$ 343.7
Grand Total	$ 3,863.0	$ 3,863.0	-	-	-	$ 343.7

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Fiscal year 2004 capital budget recommendations for the University of Illinois at Urbana-Champaign total $58.2 million, including $52.0 million for Regular Capital projects and $6.2 million for Capital Renewal projects. Table IX-12 provides a list of the projects the University requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table IX-12 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the Regular Capital projects recommended for funding in fiscal year 2004 follow.

Regular Capital

Lincoln Hall Remodeling (Remodeling, $52,000,000)

Lincoln Hall was constructed in 1911 and has had no major improvements since the west half and theater were added in 1930. With the completion of Spurlock Museum of World Cultures, nearly all of the fourth floor will be vacated and available for relocation of programs from other areas of the building to facilitate a major remodeling of the building. Lincoln Hall houses the following programs and offices: Political Science, Sociology, Speech and Communications, the Dean of Liberal Arts and Sciences, Admission and Records for Liberal Arts and Sciences, and student computer laboratories.

The project will include the reconfiguration of space with as much instructional space as possible concentrated on the first two floors and offices on the upper two floors. Areas for teaching assistants will be located on the fourth floor. With the reconfiguration, classrooms of various sizes will be provided to meet the needs of academic programs. The backstage area of the theater, which has not been used for 25 years since the relocation of the Theater Department to the Krannert Center for the Performing Arts, will be eliminated, freeing up space on all floors. This will allow two classrooms to be placed on the first floor, with a double-loaded corridor on the west end of the second, third, and fourth floors to make more efficient use of existing outmoded space. Other improvements, in addition to the reconfiguration of space, will include upgrading the electrical, lighting, heating, ventilating, air conditioning, and networking systems. New flooring, ceilings, and wall finishes will be provided. Improvements to address code deficiencies also will be addressed. The project will include the replacement of equipment.

Capital Renewal

Capital Renewal Projects (Remodeling, $6,225,400)

This recommendation continues funding to address infrastructure repair and maintenance requirements and to upgrade academic and instructional space. The University will identify specific projects prior to the Capital Development Board's request for the Governor's release of the funds.

Table IX-12

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

University of Illinois at Urbana-Champaign

(in thousands of dollars)

		State Funds				
Classification/Project/Budget Category	Total Estimated Project Cost	FY2004 Request	Prior Year	Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Projects						
Lincoln Hall Remodeling (Remodeling)	$ 52,000.0	$ 52,000.0	-	-	-	$ 52,000.0
College of Business Administration	46,500.0	4,650.0	-	$ 11,850.0	$ 30,000.0	-
(Planning)	4,650.0	4,650.0	-	-	-	-
(Buildings)	41,850.0	-	-	11,850.0	30,000.0	-
Freer Hall Remodeling (Remodeling)	23,200.0	23,200.0	-	-	-	-
Burrill Hall Remodeling (Remodeling)	30,000.0	30,000.0	-	-	-	-
State Universities Retirement System Building Acquisition (Land)	2,482.2	2,482.2	-	-	-	-
Total, Regular Capital Projects	154,182.2	112,332.2	-	11,850.0	30,000.0	52,000.0
Capital Renewal Projects	7,980.0	7,980.0	-	-	-	6,225.4
GRAND TOTAL	$ 162,162.2	$ 120,312.2	-	$ 11,850.0	$ 30,000.0	$ 58,225.4

X. COMMUNITY COLLEGES

Fiscal year 2004 capital budget recommendations for the Illinois community college system total $161.7 million, including $152.6 million for Regular Capital projects and $9.1 million for Capital Renewal projects. Table X-1 provides a list of the projects the Illinois Community College Board requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table X-1 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. Narrative descriptions of the projects recommended for funding in fiscal year 2004 follow.

The Public Community College Act (110 ILCA 805/5-9) requires a community college district to finance at least 25 percent of a state-funded capital project's cost with the state providing 75 percent. Narrative descriptions of the projects identify both the state and local shares. In September 1987, the Illinois Community College Board certified $28.5 million in eligible credits to be applied toward the statutorily required 25 percent local funding share of a state-funded capital project. These credits represented amounts expended previously by community colleges from local funds for capital projects. At that time the Community College Board also discontinued the practice of approving locally funded projects for future state reimbursement credit. Approximately $7.4 million of the certified credits currently remain.

The recommendations for community colleges do not include the third year of the five-year, $250.0 million Enhanced Construction Program to reduce reliance on temporary facilities. However, the Board supports the continuation of the initiative.

Regular Capital

Triton College: Technology Building Rehabilitation (Remodeling, $7,906,100)

This project provides for rehabilitation of the 49,200-GSF Technology Building to address deficiencies caused by the expansive nature of fill material used when the building was constructed. The project will eliminate moisture penetration problems and will repair floors, walls, utilities, doors, and windows. The total estimated cost of the project is $10,541,500, including $7,906,100 in state funds and $2,635,400 in local funds.

Joliet Junior College: Utilities Renovation (Utilities, $3,255,000)

This project provides for the construction of approximately 1,600 linear feet of reinforced concrete underground tunnel to house steam and condensate piping, a primary chilled water supply and return loop, and an electrical distribution system, and to provide pathways for future communications and safety systems conduits. Four 25-year-old chillers will be replaced and the water distribution loop will be reconfigured to provide efficiencies. The total estimated cost of the project is $4,340,000, including $3,255,000 in state funds and $1,085,000 in local funds.

Rock Valley College: Arts Instructional Center (Buildings, $15,233,900)

Existing college facilities are inadequate to accommodate enrollment growth and the demand for program expansion in the instructional arts programs. Music programs are housed in buildings throughout the campus, and the variety and frequency of course offerings cannot meet demand. Visual arts programs lack the facilities for their special needs for space, lighting, and ventilation, disposal of chemicals and paints, and storage. New areas for computerized art, ceramics, sculpture, and painting, as well as exhibit space, are needed. The drama program operates from a 100-year old barn with no dedicated drama classrooms, adjoining scene shop, or improved technical theater instruction areas for students.

This project provides for the construction of a 113,526-GSF facility for the music, visual arts, and drama programs. The new facility will provide appropriate space for the drama, visual arts, and music programs; will accommodate high enrollment growth in the drama program; and will allow growth in the music and visual arts programs. Included are 3,200 NASF for classrooms, 41,860 NASF for laboratory space, 3,680 NASF for offices, 12,400 NASF for assembly and exhibition space, and 5,400 NASF for general use. The instructional center will be constructed on land currently occupied by 56,019 GSF of space in 11 temporary buildings that will be demolished. Prior state funding for the project includes $550,000 for planning, appropriated in fiscal years 1999 and 2000, and $9,981,500 allocated from the fiscal year 2003 appropriation for the Enhanced Construction Program to begin construction. The total estimated cost of the project is $34,353,900, including the following:

	Prior Year Planning and Construction	Phase II Construction	Total
State Funds	$10,531,500	$15,233,900	$25,765,400
Local Funds	3,510,500	5,078,000	8,588,500
Total	$14,042,000	$20,311,900	$34,353,900

Elgin Community College: Spartan Drive Extension (Site Improvements, $1,710,000)

The College has entered into an intergovernmental agreement with the City of Elgin to provide an entrance to the campus from Randall Road, the major north/south road in the district, by extending Spartan Drive 3,900 feet. All three current entrances are off heavily traveled U.S. Highway 20, which experiences traffic congestion for several miles at the college off-ramp exit each morning. A fourth entrance will provide an alternate route and help alleviate traffic delays to students and staff traveling to and from the college each day. The project also provides for redesigning the intersection at Spartan Drive and Second Street from a curve to a "T" intersection and for repairing Second Street. The total estimated cost to the district is $2,280,000, including $1,710,000 in state funds and $570,000 in local funds.

Parkland College: Student Services Center (Buildings, $11,214,100)

In response to enrollment growth, student services offices have been relocated throughout the campus while space originally allocated for student activities has been converted to instructional and office space. In 1996 the National Center for Higher Education Management Systems assessed the needs of the College and determined that space for student lounge and service, food service, and administrative services is deficient. This project provides funding to construct a 59,130-GSF addition to connect the college center and the physical education building. The addition will house a student center, testing and assessment space, offices, a food service area, meeting facilities, and support areas. The addition will provide space for new student orientation, staff development, student activities, records processing and counseling. Included are 2,827 NASF for classrooms, 3,250 NASF for laboratories, 11,979 NASF for offices, 2,375 NASF for study and library space, and 15,600 NASF for general, special use, and support space. The project also provides funding for 40 additional parking spaces and improvements to sidewalks and drives. The total estimated cost of the project is $14,951,900, including $11,214,100 in state funds and $3,737,800 in local funds.

William Rainey Harper College: Engineering and Technology Center Renovations (Remodeling, $14,750,700)

This project provides for the remodeling of approximately 78,500 GSF of classrooms and laboratories in Buildings "G" and "H," which were constructed in 1977. Improvements will include reconfiguring interior space to provide adaptable classrooms and laboratories and the infrastructure for new technologies and teaching methods. The project also provides for upgrading mechanical, electrical, lighting, acoustical, heating, ventilating, and air conditioning systems. Improvements will ensure compliance with the Americans with Disabilities Act and other state codes. The total estimated cost of the project is $19,667,600, including $14,750,700 in state funds and $4,916,900 in local funds.

Rend Lake College: Art Program Addition (Buildings, $344,900)

This project provides for the construction of a 2,200 GSF (1,800 NASF) laboratory addition and for minor remodeling of existing space to meet the growing needs of the art program as well as needs resulting from the reinstitution of the music and theater programs. The programs are housed in the Learning Resource Center. The total estimated cost of the project is $459,800, including $344,900 in state funds and $114,900 in local funds.

Lake Land College: Rural Development Technology Center (Buildings, $5,430,700)

The Kluthe Center for Higher Education and Technology was constructed in Effingham in 1995 to meet the needs of the College, the community, and businesses in the area. Enrollment at the facility is now at capacity. This project provides for the construction of a three-story, 36,000-GSF facility in Effingham to serve expanded programs in Speech Language Pathology Assistant, Emergency Medical Services, Desktop Publishing, and Heating, Ventilation, Air Conditioning, and Refrigeration; a laboratory for hands-on training; general education classrooms; and a maintenance area. The facility will be constructed at the same location as the Kluthe Center. Included are 7,800 NASF for classrooms, 8,000 NASF for laboratories, 2,100 NASF for offices, 2,300 NASF for study, and 5,000 NASF for general and support use. Funds are included for land acquisition, site development, and 300 additional parking spaces. The total estimated cost of the project is $7,240,900, including $5,430,700 in state funds and $1,810,200 in local funds.

College of DuPage: Instructional Center Noise Abatement (Remodeling, $1,203,400)

This project provides for the installation of acoustical ceilings and wall mounted acoustical panels in all public corridors and lounge areas of the Instructional Center to reduce noise levels and disruptions in classrooms and offices. The Center, a 413,000-GSF teaching facility completed in 1971, contains two 655-foot corridors and four 205-foot cross halls with nine foot ceilings. The walls are made of brick with wallboard, glass, and doorways. The ceilings are constructed of wallboard, and the floor is brick. The structural design and construction materials combined with the long hallways cause noise to echo down the corridors and permeate classrooms and offices. The total estimated cost of the project is $1,453,900, including $1,203,400 in state funds and $250,500 in local funds. The local funds share reflects eligible credits of $113,000.

William Rainey Harper College: One Stop/Admissions and Student Life Center (Buildings, $29,881,100)

This project provides for the construction of a 108,782-GSF facility with two wings that will include a 44,174-GSF One Stop/Admissions Center and a 64,608-GSF Campus/Student Life Center. This project is designed to centralize student services and student activities currently scattered throughout the campus and to address needs due to growth. The two-story center will be constructed adjacent to, and will connect existing buildings to facilitate student traffic between buildings. A total of 27,609 NASF will be available for the One Stop/Admissions Center with 4,960 NASF for classrooms and laboratories, 11,656 NASF for offices, and 10,993 NASF for general and support space. A total of 40,380 NASF will be available for the Student Life Center with 3,575 NASF for classrooms and laboratories, 17,745 NASF for offices, 16,900 NASF for general use space, and 2,160 NASF for special, support, and health care space. The total estimated cost of the project is $35,820,500, including $29,881,100 in state funds and $5,939,400 in local funds. The local funds share reflects eligible credits of $3,015,700.

Illinois Valley Community College: Community Instructional Center (Buildings, $11,761,100)

This project provides for the construction of an 87,355-GSF facility to house enrollment services and student life space, a laboratory school for the Early Childhood Education Program and Child Care Center, the Business and Industry Training Center, and the Small Business Development Center. The Center will provide a "one-stop" location at the main entrance to the campus for meeting the needs of incoming students. Multi-purpose classrooms and seminar rooms will have the infrastructure for new instructional technologies and distance learning. Included are 4,912 NASF for classrooms, 9,600 NASF for laboratories, 11,129 NASF for offices, 1,332 NASF for study space, and 37,228 NASF for support, general use, and special use space. The facility, which will be connected to the Cultural Center and theater, will serve as the new entrance to the campus, and will better connect the main and east campuses. Site improvements including roads, sidewalks, parking, and landscaping also will be provided. Some of the programs to be relocated to the new facility are housed currently in temporary buildings. Funds to renovate space vacated with the relocation of programs to the new facility will be requested in the future. The total estimated cost of the project is $15,681,500, including $11,761,100 in state funds and $3,920,400 in local funds.

Lake Land College: Center for Technical Education (Buildings, $5,371,400)

This project provides for the construction of a 35,000-GSF Center for Technical Education to house all engineering, manufacturing, and electronics programs currently scattered throughout three campus buildings. A new facility will consolidate all the program areas to provide better opportunities for interaction among students and to facilitate the sharing of equipment and collaboration between instructors. Included are 6,400 NASF for classrooms, 13,100 NASF for laboratories, 4,000 NASF for study space, and 1,000 NASF for offices. A total of 200 additional parking spaces are included. Upon completion of this project, 6,000-GSF of temporary space that currently houses these programs will be demolished. A total of $575,000 for planning was allocated to the project from the fiscal year 2003 appropriation for the Enhanced Construction Program. The total estimated cost of the project is $7,928,500, including the following:

	Prior Year Planning	Phase II Construction	Total
State Funds	$ 575,000	$5,371,400	$5,946,400
Local Funds	191,700	1,790,400	1,982,100
Total	$ 766,700	$7,161,800	$7,928,500

College of Lake County: Student Services Building (Buildings, $32,248,500)

Existing facilities have been remodeled to accommodate enrollment growth and provide retention services, resulting in the fragmentation of areas for student services. This project provides for the construction of a 162,438-GSF student services building to coordinate and integrate student academic support systems. Included are 11,357 NASF for classrooms, 28,689 NASF for offices, 6,910 NASF for study space, and 55,386 NASF for support, special use, and general use space. When programs and services are relocated to the new facility, 53,373-GSF of existing space will be remodeled for academic programs, administrative offices, and storage. Site improvements include the extension of storm and sanitary sewers, electrical service, water mains, and building services. A new roadway, sidewalks, and 100 new parking spaces will be provided. This project will replace 61,291 GSF of temporary space. The total estimated cost of the project is $42,997,900, including $32,248,500 in state funds and $10,749,400 in local funds.

Heartland Community College: Workforce Development Center (Buildings, $12,279,400)

A new Workforce Development Center on Heartland's permanent campus site will integrate technical education for district students, provide customized training for local businesses and industries, and offer employees and employers opportunities to improve and update workforce skills. The College will locate activities conducted by its Corporate Education Division in the facility and will offer credit courses and workforce training side by side. The 78,167-GSF Center will provide 17,500 NASF for classrooms, 21,550 NASF for laboratories, 3,900 NASF for offices, 1,600 NASF of study space, and 5,050 NASF of general use and support space. A utility tunnel will be constructed to complete a redundant loop for extension of heating, cooling, and electrical service to the new building. The College currently leases 30,500 GSF of space for the programs. A total of $1,200,000 for planning was allocated to the project from the fiscal year 2003 appropriation for the Enhanced Construction Program. The total estimated cost of the project is $17,972,500, including the following:

	Prior Year Planning	Phase II Construction	Total
State Funds	$1,200,000	$12,279,400	$13,479,400
Local Funds	400,000	4,093,100	4,493,100
Total	$1,600,000	$16,372,500	$17,972,500

Statewide

All Colleges: Capital Renewal Projects (Remodeling, $9,107,500)

This recommendation provides for various remodeling projects at community colleges. These funds will be distributed proportionately among the community colleges based on their on-campus, nonresidential space. Throughout the year, specific projects will be identified by each district and submitted to the Illinois Community College Board for approval. The recommendation for fiscal year 2004 is $9,107,500.

Table X-1
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds: FY2004 Request	State Funds: Prior Year	State Funds: Future Year	Non-State Funds	FY2004 Recommendation
	$ 612,197.5	$ 448,161.8	$ 18,441.5	-	$ 145,594.2	$ 152,590.3
Regular Capital Projects						
Triton College	10,541.5	7,906.1	-	-	2,635.4	7,906.1
Technology Building Rehabilitation (Remodeling)						
Joliet Junior College	4,340.0	3,255.0	-	-	1,085.0	3,255.0
Utilities Renovation (Utilities)						
Rock Valley College	34,353.9	15,233.9	10,531.5		8,588.5	15,233.9
Arts Instructional Center						
(Buildings)	27,857.1	11,242.5	9,650.3	-	6,964.3	11,242.5
(Equipment)	3,362.1	2,521.6	-	-	840.5	2,521.6
(Utilities)	666.1	499.6	-	-	166.5	499.6
(Site Improvements)	1,293.6	970.2	-	-	323.4	970.2
(Planning)	1,175.0	-	881.2	-	293.8	-
Elgin Community College	2,280.0	1,710.0	-	-	570.0	1,710.0
Spartan Drive Extension (Site Improvements)						
Parkland College	14,951.9	11,214.1	-	-	3,737.8	11,214.1
Student Services Center						
(Buildings)	10,825.3	8,119.1	-	-	2,706.2	8,119.1
(Equipment)	666.1	499.6	-	-	166.5	499.6
(Utilities)	475.0	356.3	-	-	118.7	356.3
(Site Improvements)	235.0	176.3	-	-	58.7	176.3
(Planning)	2,750.5	2,062.8	-	-	687.7	2,062.8
William Rainey Harper College	19,667.6	14,750.7	-	-	4,916.9	14,750.7
Engineering and Technology Center Renovations						
(Equipment)	7,304.9	5,478.7	-	-	1,826.2	5,478.7
(Remodeling)	12,362.7	9,272.0	-	-	3,090.7	9,272.0

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Table X-1 (continued)
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Rend Lake College						
Art Program Addition	$ 459.8	$ 344.9	-	-	$ 114.9	$ 344.9
(Buildings)	367.7	275.8	-	-	91.9	275.8
(Equipment)	18.0	13.5	-	-	4.5	13.5
(Planning)	74.1	55.6	-	-	18.5	55.6
Lake Land College						
Rural Development Technology Center	7,240.9	5,430.7	-	-	1,810.2	5,430.7
(Buildings)	4,629.1	3,471.8	-	-	1,157.3	3,471.8
(Land)	171.7	128.8	-	-	42.9	128.8
(Equipment)	955.4	716.6	-	-	238.8	716.6
(Utilities)	49.2	36.9	-	-	12.3	36.9
(Site Improvements)	864.0	648.0	-	-	216.0	648.0
(Planning)	571.5	428.6	-	-	142.9	428.6
College of DuPage						
Instructional Center Noise Abatement	1,453.9	1,203.4	-	-	250.5	1,203.4
(Remodeling)	1,342.4	1,111.1	-	-	231.3	1,111.1
(Planning)	111.5	92.3	-	-	19.2	92.3
William Rainey Harper College						
One Stop/Admissions and Student Life Center	35,820.5	29,881.1	-	-	5,939.4	29,881.1
(Buildings)	31,801.3	26,528.3	-	-	5,273.0	26,528.3
(Equipment)	4,019.2	3,352.8	-	-	666.4	3,352.8
Illinois Valley Community College						
Community Instructional Center	15,681.5	11,761.1	-	-	3,920.4	11,761.1
(Buildings)	12,564.2	9,423.1	-	-	3,141.1	9,423.1
(Equipment)	1,671.1	1,253.3	-	-	417.8	1,253.3
(Site Improvements)	274.2	205.7	-	-	68.5	205.7
(Planning)	1,172.0	879.0	-	-	293.0	879.0

Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Lake Land College						
Center for Technical Education	$ 7,928.5	$ 5,371.4	$ 575.0	-	$ 1,982.1	$ 5,371.4
(Buildings)	6,055.7	4,462.4	79.4	-	1,513.9	4,462.4
(Equipment)	555.5	416.6	-	-	138.9	416.6
(Utilities)	75.9	56.9	-	-	19.0	56.9
(Site Improvements)	580.7	435.5	-	-	145.2	435.5
(Remodeling)	660.7	-	495.6	-	165.1	-
College of Lake County						
Student Services Building	42,997.9	32,248.5	-	-	10,749.4	32,248.5
(Buildings)	36,378.3	27,283.8	-	-	9,094.5	27,283.8
(Equipment)	3,460.4	2,595.3	-	-	865.1	2,595.3
(Utilities)	505.6	379.2	-	-	126.4	379.2
(Site Improvements)	789.2	591.9	-	-	197.3	591.9
(Remodeling)	1,864.4	1,398.3	-	-	466.1	1,398.3
Heartland Community College						
Workforce Development Center	17,972.5	12,279.4	1,200.0	-	4,493.1	12,279.4
(Buildings)	14,134.5	9,400.9	1,200.0	-	3,533.6	9,400.9
(Equipment)	1,545.0	1,158.7	-	-	386.3	1,158.7
(Utilities)	2,000.0	1,500.0	-	-	500.0	1,500.0
(Site Improvements)	293.0	219.8	-	-	73.2	219.8
Richland Community College						
Student Success Center and Addition	3,208.0	2,406.0	-	-	802.0	-
(Buildings)	2,093.0	1,569.7	-	-	523.3	-
(Equipment)	245.0	183.7	-	-	61.3	-
(Remodeling)	835.0	626.3	-	-	208.7	-
(Planning)	35.0	26.3	-	-	8.7	-
Illinois Eastern Community Colleges - Lincoln Trail College						
Center for Technology (Buildings)	6,934.0	5,741.3	-	-	1,192.7	-

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Table X-1 (continued)
SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS
Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Joliet Junior College						
Student Support Center/Remodeling Classrooms	$ 23,736.4	$ 17,802.3	-	-	$ 5,934.1	-
(Buildings)	20,132.3	15,099.2	-	-	5,033.1	-
(Utilities)	200.0	150.0	-	-	50.0	-
(Remodeling)	3,164.1	2,373.1	-	-	791.0	-
(Site Improvements)	240.0	180.0	-	-	60.0	-
Spoon River College						
Educational Buildings Remodeling and Expansion	4,471.1	3,353.3	-	-	1,117.8	-
(Buildings)	1,899.4	1,424.5	-	-	474.9	-
(Remodeling)	2,571.7	1,928.8	-	-	642.9	-
City Colleges of Chicago - Kennedy-King College						
Kennedy-King Campus						
(Land Acquisition)	16,480.0	12,360.0	-	-	4,120.0	-
Moraine Valley Community College						
College Center Expansion and Renovation	11,268.1	8,451.1	-	-	2,817.0	-
(Buildings)	10,366.0	7,774.5	-	-	2,591.5	-
(Equipment)	296.4	222.3	-	-	74.1	-
(Site Improvements)	605.7	454.3	-	-	151.4	-
Lincoln Land Community College						
Project Outreach: Regional Center Expansion	3,582.8	2,687.1	-	-	895.7	-
(Buildings)	1,613.3	1,210.0	-	-	403.3	-
(Equipment)	100.6	75.4	-	-	25.2	-
(Remodeling)	1,868.9	1,401.7	-	-	467.2	-
Southeastern Illinois College						
Carmi/White County Vocational Building	1,247.2	935.4	-	-	311.8	-
(Buildings)	1,146.6	859.9	-	-	286.7	-
(Utilities)	88.0	66.0	-	-	22.0	-
(Site Improvements)	12.6	9.5	-	-	3.1	-

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Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Sauk Valley Community College						
Natural Science Laboratories Remodeling (Remodeling)	$ 2,447.4	$ 1,835.6	-	-	$ 611.8	-
Illinois Valley Community College						
Building "C" Classroom and Library Remodeling and Addition	8,034.7	6,026.0	-	-	2,008.7	-
(Buildings)	5,132.7	3,849.5	-	-	1,283.2	-
(Equipment)	1,180.5	885.4	-	-	295.1	-
(Remodeling)	1,056.5	792.4	-	-	264.1	-
(Planning)	665.0	498.7	-	-	166.3	-
Danville Area Community College						
Mary Miller Center Addition and Remodeling	3,073.7	2,303.3	-	-	770.4	-
(Buildings)	645.4	483.6	-	-	161.8	-
(Utilities)	34.3	25.7	-	-	8.6	-
(Remodeling)	2,047.1	1,534.0			513.1	-
(Site Improvements)	24.0	18.0	-	-	6.0	-
(Planning)	322.9	242.0	-	-	80.9	-
Waubonsee Community College						
Henning Academic Computing Center Addition	9,698.1	7,273.6	-	-	2,424.5	-
(Buildings)	7,158.8	5,369.1	-	-	1,789.7	-
(Equipment)	1,237.3	928.0	-	-	309.3	-
(Site Improvements)	877.7	658.3	-	-	219.4	-
(Planning)	424.3	318.2	-	-	106.1	-
City Colleges of Chicago - Districtwide						
Americans with Disabilities Act Compliance (Remodeling)	10,810.7	6,973.0	$ 1,135.0	-	2,702.7	-
Illinois Eastern Community Colleges - Olney Central College						
Applied Technology Center (Buildings)	1,372.0	1,372.0	-	-	-	-

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Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Black Hawk College						
Arena Complex	$ 1,789.3	$ 1,342.0	-	-	$ 447.3	-
(Buildings)	913.0	684.7	-	-	228.3	-
(Equipment)	51.4	38.6	-	-	12.8	-
(Remodeling)	824.9	618.7	-	-	206.2	-
Carl Sandburg College						
Parking Lot Paving	590.4	442.8	-	-	147.6	-
(Site Improvements)	530.4	397.8	-	-	132.6	-
(Planning)	60.0	45.0	-	-	15.0	-
South Suburban College						
Aviation and Aerospace Education Center (Buildings)	4,478.3	4,478.3	-	-	-	-
College of DuPage						
Grounds and Retention Pond Improvements	2,379.5	1,784.2	-	-	595.3	-
(Site Improvements)	2,196.7	1,647.1	-	-	549.6	-
(Planning)	182.8	137.1	-	-	45.7	-
Rend Lake College						
Science and Nursing Building	7,440.8	5,580.6	-	-	1,860.2	-
(Buildings)	5,936.9	4,452.7	-	-	1,484.2	-
(Equipment)	116.0	87.0	-	-	29.0	-
(Utilities)	362.9	272.2	-	-	90.7	-
(Site Improvements)	326.8	245.1	-	-	81.7	-
(Planning)	698.2	523.6	-	-	174.6	-
Parkland College						
Applied Technology Addition	11,884.2	8,913.2	-	-	2,971.0	-
(Buildings)	7,135.9	5,352.0	-	-	1,783.9	-
(Equipment)	1,825.1	1,368.8	-	-	456.3	-
(Utilities)	475.0	356.3	-	-	118.7	-
(Site Improvements)	235.0	176.3	-	-	58.7	-
(Planning)	2,213.2	1,659.8	-	-	553.4	-

Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Joliet Junior College						
City Center Construction (Buildings)	$ 19,329.3	$ 14,497.0	-	-	$ 4,832.3	-
Elgin Community College						
Health Careers Center	14,237.5	10,678.1	-	-	3,559.4	-
(Buildings)	12,300.9	9,225.7	-	-	3,075.2	-
(Equipment)	1,030.0	772.5	-	-	257.5	-
(Utilities)	597.0	447.7	-	-	149.3	-
(Site Improvements)	309.6	232.2	-	-	77.4	-
City Colleges of Chicago - Harold Washington College						
Building Renovation	32,047.0	24,035.0	-	-	8,012.0	-
(Equipment)	1,291.9	968.9	-	-	323.0	-
(Remodeling)	30,755.1	23,066.1	-	-	7,689.0	-
Lake Land College						
Agriculture Industry Center	4,008.0	3,006.0	-	-	1,002.0	-
(Buildings)	2,985.1	2,238.8	-	-	746.3	-
(Equipment)	220.5	165.4	-	-	55.1	-
(Utilities)	26.8	20.1	-	-	6.7	-
(Site Improvements)	412.0	309.0	-	-	103.0	-
(Planning)	363.6	272.7	-	-	90.9	-
College of Lake County						
Grayslake Campus Classroom Building	22,743.3	17,057.5	-	-	5,685.8	-
(Buildings)	18,335.4	13,751.6	-	-	4,583.8	-
(Equipment)	1,331.5	998.6	-	-	332.9	-
(Utilities)	341.5	256.1	-	-	85.4	-
(Site Improvements)	2,734.9	2,051.2	-	-	683.7	-
Lewis and Clark Community College						
Edwardsville-Glen Carbon Regional Industrial Training and Education Center, Phase II	11,650.0	6,062.5	$ 5,000.0	-	587.5	-
(Equipment)	2,000.0	1,899.1	-	-	100.9	-
(Remodeling)	9,650.0	4,163.4	5,000.0	-	486.6	-

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Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Morton College						
Parking Lot, Roadway, and Walkway Replacement (Site Improvements)	$ 6,024.1	$ 4,518.1	-	-	$ 1,506.0	-
Illinois Eastern Community Colleges - Wabash Valley College						
Technology/Student Support Expansion and Renovation to Main Hall	5,614.0	4,211.0	-	-	1,403.0	-
(Buildings)	5,214.0	3,911.0	-	-	1,303.0	-
(Remodeling)	400.0	300.0	-	-	100.0	-
McHenry County College						
Satellite Facility	12,178.6	9,134.0	-	-	3,044.6	-
(Buildings)	11,728.6	8,796.5	-	-	2,932.1	-
(Land)	200.0	150.0	-	-	50.0	-
(Equipment)	250.0	187.5	-	-	62.5	-
Oakton Community College						
Des Plaines Campus Addition/Remodeling	24,955.5	18,716.6	-	-	6,238.9	-
(Buildings)	8,493.5	6,370.1	-	-	2,123.4	-
(Equipment)	1,742.8	1,307.1	-	-	435.7	-
(Utilities)	150.0	112.5	-	-	37.5	-
(Remodeling)	12,864.3	9,648.2	-	-	3,216.1	-
(Site Improvements)	404.0	303.0	-	-	101.0	-
(Planning)	1,300.9	975.7	-	-	325.2	-
City Colleges of Chicago - Malcolm X College						
Mechanical Systems Upgrade (Renovation)	20,747.0	15,560.0	-	-	5,187.0	-
Triton College						
Backflow Preventors Installation (Remodeling)	1,337.1	1,002.8	-	-	334.3	-
Shawnee Community College						
Cairo Regional Education Center	1,192.0	894.0	-	-	298.0	-
(Buildings)	803.0	602.2	-	-	200.8	-
(Site Improvements)	389.0	291.8	-	-	97.2	-

Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Southwestern Illinois College						
Academic Building with Bookstore	$ 12,913.5	$ 9,685.2	-	-	$ 3,228.3	-
(Buildings)	6,348.9	4,761.7	-	-	1,587.2	-
(Equipment)	734.9	551.2	-	-	183.7	-
(Utilities)	458.0	343.5	-	-	114.5	-
(Site Improvements)	3,575.4	2,681.6	-	-	893.8	-
(Planning)	1,796.3	1,347.2	-	-	449.1	-
Danville Area Community College						
Clock Tower Center and Ornamental Horticulture Rehabilitation	2,733.1	2,049.9	-	-	683.2	-
(Remodeling)	2,278.9	1,709.2	-	-	569.7	-
(Site Improvements)	40.7	30.5	-	-	10.2	
(Planning)	413.5	310.2	-	-	103.3	-
Triton College						
Satellite Facility in Harwood Heights	9,196.3	6,897.2	-	-	2,299.1	-
(Buildings)	6,724.3	5,043.2	-	-	1,681.1	-
(Land)	1,854.0	1,390.5	-	-	463.5	-
(Utilities)	494.4	370.8	-	-	123.6	-
(Site Improvements)	123.6	92.7	-	-	30.9	-
Illinois Eastern Community Colleges - Frontier College Technology Center (Buildings)	2,679.0	2,009.0	-	-	670.0	-
Richland Community College						
Community Education Center and Infrastructure Connection	13,173.3	9,880.0	-	-	3,293.3	-
(Buildings)	9,595.2	7,196.4	-	-	2,398.8	-
(Equipment)	388.5	291.4	-	-	97.1	-
(Utilities)	142.5	106.9	-	-	35.6	-
(Remodeling)	793.7	595.3	-	-	198.4	-
(Site Improvements)	1,425.9	1,069.4	-	-	356.5	-
(Planning)	827.5	620.6	-	-	206.9	-

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Table X-1 (continued)

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Community Colleges

(in thousands of dollars)

College/Project Description/Budget Category	Total Estimated Project Cost	State Funds			Non-State Funds	FY2004 Recommendation
		FY2004 Request	Prior Year	Future Year		
Moraine Valley Community College						
Buildings "A," "B," "G," and "L" Remodeling	$ 28,848.2	$ 21,636.2	-	-	$ 7,212.0	-
(Equipment)	826.9	620.2	-	-	206.7	-
(Remodeling)	27,771.3	20,828.5	-	-	6,942.8	
(Site Improvements)	250.0	187.5	-	-	62.5	-
Waubonsee Community College						
Science Building	15,973.6	11,980.3	-	-	3,993.3	-
(Buildings)	13,083.4	9,812.6	-	-	3,270.8	-
(Equipment)	1,237.2	927.9	-	-	309.3	-
(Site Improvements)	877.7	658.3	-	-	219.4	-
(Planning)	775.3	581.5	-	-	193.8	-
Statewide						
Enhanced Construction Program (Buildings/Remodeling)	250,000.0	50,000.0	$ 100,000.0	$ 100,000.0	-	-
Capital Renewal (Grants)	12,000.0	12,000.0	-	-	-	$ 9,107.5
Grand Total	$ 874,197.5	$ 510,161.8	$ 118,441.5	$ 100,000.0	$ 145,594.2	$ 161,697.8

XI. ILLINOIS MATHEMATICS AND SCIENCE ACADEMY

Fiscal year 2004 capital budget recommendations for the Illinois Mathematics and Science Academy total $3.0 million. Table XI-1 provides a list of the projects the Illinois Mathematics and Science Academy requested for funding and identifies the projects and amounts recommended by the Illinois Board of Higher Education in fiscal year 2004. Table XI-1 also shows for each project the total estimated project cost, prior year funding, associated out-year costs, and the amount supported with local or private fund sources. A narrative description of the projects recommended for funding in fiscal year 2004 follows.

Regular Capital

"A" Wing Laboratories Remodeling (Remodeling, $3,000,000)

This project provides for the reconfiguration and modernization of laboratories. Eight laboratories on the second floor will be demolished to their structural shells and will be replaced with six larger laboratories, offices, and discussion areas. Improvements will include replacement of casework, counters, cabinets, and related plumbing, piping, and electrical and data services. Existing lighting will be modified. Fume hoods will be replaced and new fume hoods installed with modifications to the heating, ventilating, and air conditioning system. Gas service, water and waste piping, and electrical modifications and distribution will be provided for fume hoods, new flexible casework, and equipment. Telecommunication distribution and outlets for computers and data equipment will be provided at each workbench station. Interior finishes will be upgraded, and the availability of safety measures will be ensured. Asbestos abatement is included. Also included is the scientific equipment and furnishings for these laboratories.

Table XI-1

SUMMARY OF FISCAL YEAR 2004 HIGHER EDUCATION CAPITAL IMPROVEMENT PROJECTS

Illinois Mathematics and Science Academy

(in thousands of dollars)

Classification/Project/Budget Category	Total Estimated Project Cost	State Funds FY2004 Request	State Funds Prior Year	State Funds Future Year	Non-State Funds	FY2004 Recommendation
Regular Capital Project						
"A" Wing Laboratories	$ 3,000.0	$ 3,000.0	-	-	-	$ 3,000.0
(Remodeling)	2,200.0	2,200.0	-	-	-	2,200.0
(Equipment)	800.0	800.0	-	-	-	800.0
Total, Regular Capital Projects	3,000.0	3,000.0	-	-	-	3,000.0
Grand Total	$ 3,000.0	$ 3,000.0	-	-	-	$ 3,000.0

APPENDIX

RELATED HIGHER EDUCATION DATA

Table A - 1

GENERAL FUNDS EXPENDITURES BY SECTOR
FISCAL YEAR 1970 - FISCAL YEAR 2003

(in millions of dollars)

Fiscal Year		Elementary and Secondary Education	Higher Education	Education Total	All Other	State Total
1970	Expenditures	$ 783.9	$ 429.9	$ 1,213.8	$ 1,230.0	$ 2,443.8
	% of Total	32.1 %	17.6 %	49.7 %	50.3 %	100.0 %
1980	Expenditures	2,044.5	917.4	2,961.9	3,790.9	6,752.8
	% of Total	30.3	13.6	43.9	56.1	100.0
1990	Expenditures	3,302.0	1,614.6	4,916.6	7,235.4	12,152.0
	% of Total	27.2	13.3	40.5	59.5	100.0
1999	Expenditures	5,135.3	2,230.2	7,365.5	12,073.7	19,439.2
	% of Total	26.4	11.5	37.9	62.1	100.0
2000	Appropriations	5,582.1	2,350.1	7,932.2	13,121.1	21,053.3
	% of Total	26.5	11.2	37.7	62.3	100.0
2001	Appropriations	5,897.7	2,510.7	8,408.4	14,141.0	22,549.4
	% of Total	26.2	11.1	37.3	62.7	100.0
2002	Appropriations	6,197.2	2,678.2	8,875.4	14,394.6	23,270.0
	% of Total	26.6	11.5	38.1	61.9	100.0
2002	Appropriations	6,182.7	2,642.7	8,825.4	14,050.6	22,876.0
Adj. *	% of Total	27.0	11.6	38.6	61.4	100.0
2003	Appropriations	6,122.1	2,531.1	8,653.2	13,500.6	22,153.8
	% of Total	27.6	11.4	39.1	60.9	100.0
FY1990 - FY2003						
	$ Change	$ 2,820.1	$ 916.5	$ 3,736.6	$ 6,265.2	$ 10,001.8
	% Change	85.4 %	56.8 %	76.0 %	86.6 %	82.3 %
	Annual % Change	4.9	3.9	4.6	5.2	5.0
FY1999 - FY2003						
	$ Change	$ 986.8	$ 300.9	$ 1,287.7	$ 1,426.9	$ 2,714.6
	% Change	19.2 %	13.5 %	17.5 %	11.8 %	14.0 %
	Annual % Change	4.5	3.2	4.1	2.8	3.3
FY2001 - FY2003						
	$ Change	$ 224.4	$ 20.4	$ 244.8	$ (640.4)	$ (395.6)
	% Change	3.8 %	0.8 %	2.9 %	(4.5) %	(1.8) %

*Spending Authority

Table A-2

STATE GENERAL FUNDS EXPENDITURES FOR ILLINOIS HIGHER EDUCATION FISCAL YEAR 1990 TO FISCAL YEAR 2003 (APPROPRIATIONS)

Fiscal Year		Higher Education Expenditures ($s in thousands)	Higher Education Expenditures In 2003 Dollars ($s in thousands)	FTE Enrollments	Expenditures For Higher Education Per FTE In Current Dollars	Expenditures For Higher Education Per FTE In 2003 Dollars
1990	Expenditures	1,614,585.1	2,573,245.0	475,955	3,392	5,406
2000	Expenditures	2,337,244.7	2,663,675.5	507,920	4,602	5,244
2001 *	Appropriations	2,510,675.6	2,729,629.9	512,189	4,902	5,329
2002 **	Appropriations	2,678,175.6	2,807,018.2 ***	525,622	5,095	5,340 ***
2002	Spending Authority	2,642,675.6	2,769,810.4 ***	525,622	5,028	5,270 ***
2003	Appropriations	2,531,118.5	2,531,118.5 ***	550,774	4,596	4,596 ***
FY1990 - FY2003 Appropriations						
Change		$ 916,533.4	$ (42,126.5)	74,819.0	$ 1,204.0	$ (810.0)
Percent Change		56.8 %	(1.6) %	15.7 %	35.5 %	(15.0) %
Annual Percent Change		3.5	(0.1)	1.1	2.4	(1.2)
FY2000 - FY2003 Appropriations						
Change		$ 193,873.8	$ (132,557.0)	42,854.0	$ (6.0)	$ (648.0)
Percent Change		8.3 %	(5.0) %	8.4 %	(0.1) %	(12.4) %
Annual Percent Change		2.7	(1.7)	2.7	(0.0)	(4.3)
FY2002 - FY2003 Appropriations						
Change		$ (147,057.1)	$ (275,899.7)	25,152.0	$ (499.0)	$ (744.0)
Percent Change		(5.5) %	(9.8) %	4.8 %	(9.8) %	(13.9) %

* Includes $28,005.3 appropriated to the Illinois State Board of Education for Adult Education.

** Includes $10,500.0 appropriated to the Illinois State Board of Education for the Illinois Century Network.

***Estimates

Source: Comptroller Reports, Higher Education Price Index and BHE Fall Enrollment Report

TABLE A - 3

ILLINOIS PUBLIC UNIVERSITIES
WEIGHTED AVERAGE FACULTY SALARIES
AS A PERCENTAGE OF COMPARISON GROUP MEDIANS

	FY1995	FY1999	FY2000	FY2001	FY2002
Chicago State University	87.0 %	107.5 %	108.2 %	111.7 %	110.7 %
Eastern Illinois University	82.8	87.3	88.4	92.1	92.6
Governors State University	102.0	100.0	100.0	96.9	97.0
Illinois State University	95.6	91.9	93.7	93.4	95.9
Northeastern Illinois University	96.1	108.1	109.0	109.6	109.2
Northern Illinois University	96.8	96.4	96.3	96.1	101.0
Western Illinois University	91.6	90.0	90.1	91.6	96.4
Southern Illinois University					
Carbondale	94.2	94.8	93.7	94.8	95.8
Edwardsville	99.1	95.6	96.4	98.7	99.6
University of Illinois					
Chicago	101.6	102.6	101.9	102.7	105.8
Springfield	101.0	102.9	101.0	97.9	98.7
Urbana-Champaign	91.0	92.1	92.0	91.3	93.7
Weighted Average	94.2	95.2 %	95.3 %	95.7 %	98.0 %

Note: The fiscal year 2002 faculty distribution among ranks was used to determine weighted average salaries for all years.

Source: American Association of University Professors (AAUP)

Table A - 4

COMPARISON OF WEIGHTED AVERAGE TUITION AND FEES WITH ECONOMIC INDICATORS

	Average Weighted Tuition and Fees (Resident Undergraduates)						Economic Indicators Percent Change		
	Public Universities		Community Colleges		Independent Institutions				
Fiscal Year	Tuition & Fees	Percent Change	Tuition & Fees	Percent Change	Tuition & Fees	Percent Change	Consumer Price Index	Illinois Per Capita Disposable Income	General Funds Appropriations for Higher Education
1993	2,901	14.3	1,108	6.7	10,271	7.0	3.1	2.3	(3.0)
1994	3,134	8.0	1,201	8.4	10,797	5.1	2.6	4.0	3.3
1995	3,303	5.4	1,259	4.8	11,467	6.2	2.9	4.6	6.3
1996	3,438	4.1	1,323	5.1	12,145	5.9	2.7	4.5	5.3
1997	3,597	4.6	1,370	3.6	12,859	5.9	2.8	4.7	6.1
1998	3,773	4.9	1,452	6.0	13,797	7.3	1.8	4.1	6.0
1999	3,904	3.5	1,506	3.7	14,658	6.2	1.7	4.5	7.2
2000	4,066	4.1	1,576	4.6	15,428	5.3	2.9	4.4	5.7
2001	4,255	4.6	1,653	4.9	16,362	6.1	3.4	3.4	5.6
2002	4,526	6.4	1,731	4.7	16,888	3.2	1.8	1.8	6.4
2003	5,077	12.2	1,815	4.9	17,732	5.0	2.6 *	3.7 *	(4.2)
Percent Change									
FY 1993 - 2003		75.0 %		63.8 %		72.6 %	28.3 %	47.6 %	58.9 %
FY 1998 - 2003		34.6 %		25.0 %		28.5 %	13.1 %	19.1 %	22.0 %
FY 2002 - 2003		12.2 %		4.9 %		5.0 %	2.6 %	3.7 %	(4.2) %

* Projected.

Table A - 5

ANNUAL TUITION RATES AT ILLINOIS PUBLIC UNIVERSITIES
BY STUDENT LEVEL
FY1993 - FY2003

	FY1993	FY1998	FY2000	FY2001	FY2002	FY2003
Chicago State University						
Lower Division	$ 1,848	$ 2,082	$ 2,292	$ 2,364	$ 2,484	$ 2,736
Upper Division	1,848	2,082	2,292	2,364	2,484	2,736
Graduate	1,944	2,196	2,424	2,496	2,628	2,892
Out-of-State Lower Division	5,544	6,246	6,876	7,092	7,452	8,208
Out-of-State Upper Division	5,544	6,246	6,876	7,092	7,452	8,208
Out-of-State Graduate	5,832	6,588	7,272	7,488	7,884	8,676
Eastern Illinois University						
Freshmen	$ 1,848	$ 2,124	$ 2,820	$ 2,906	$ 2,993	$ 3,254
Sophomores	1,848	2,124	2,254	2,906	2,993	3,254
Juniors	1,848	2,124	2,254	2,322	2,993	3,254
Seniors	1,848	2,124	2,254	2,322	2,394	3,254
Graduate	1,944	2,238	2,376	2,447	2,522	2,741
Out-of-State Freshmen	5,544	6,372	8,460	8,717	8,978	9,761
Out-of-State Sophomores	5,544	6,372	6,762	8,717	8,978	9,761
Out-of-State Juniors	5,544	6,372	6,762	6,965	8,978	9,761
Out-of-State Seniors	5,544	6,372	6,762	6,965	7,182	9,761
Out-of-State Graduate	5,832	6,714	7,128	7,342	7,567	8,222
Undergraduate In-State Weighted Average	1,848	2,124	2,368	2,557	2,783	3,254
Governors State University[1]						
Undergraduate	$ 1,848	$ 2,088	$ 2,208	$ 2,280	$ 2,352	$ 2,592
Graduate	1,944	2,208	2,352	2,424	2,520	2,832
Out-of-State Undergraduate	5,544	6,264	6,624	6,840	7,056	7,776
Out-of-State Graduate	5,832	6,624	7,056	7,272	7,560	8,496
Illinois State University						
Undergraduate	$ 2,178	$ 2,952	$ 3,128	$ 3,219	$ 3,332	$ 3,640
Graduate	2,004	2,386	2,526	2,599	2,691	2,940
Out-of-State Undergraduate	6,534	8,856	9,383	9,657	7,275	7,830
Out-of-State Graduate	6,012	7,158	7,578	7,797	5,880	6,360
Northeastern Illinois University						
Lower Division	$ 1,848	$ 2,112	$ 2,262	$ 2,340	$ 2,424	$ 2,508
Upper Division	1,848	2,112	2,262	2,340	2,424	2,508
Graduate	1,944	2,226	2,388	2,472	2,562	2,652
Out-of-State Lower Division	5,544	6,336	6,786	7,020	7,272	7,524
Out-of-State Upper Division	5,544	6,336	6,786	7,020	7,272	7,524
Out-of-State Graduate	5,832	6,678	7,164	7,416	7,686	7,956
Northern Illinois University						
Undergraduate	$ 2,178	$ 2,952	$ 3,060	$ 3,150	$ 3,293	$ 3,581
Graduate	2,004	2,544	3,024	3,120	3,258	3,543
Law	3,576	5,038	5,887	6,084	6,360	6,917
Out-of-State Undergraduate	6,534	8,856	6,120	6,300	6,585	7,161
Out-of-State Graduate	6,012	7,632	6,048	6,240	6,516	7,086
Out-of-State Law	5,880	10,076	11,774	12,168	12,720	13,833
Western Illinois University						
Freshmen	$ 1,848	$ 2,119	$ 2,730	$ 2,813	$ 2,982	$ 3,465
Sophomores	1,848	2,119	2,184	2,730	2,813	2,982
Juniors	1,848	2,119	2,184	2,250	2,730	2,813
Seniors	1,848	2,119	2,184	2,250	2,386	2,730
Graduate	1,944	2,232	2,376	2,448	2,596	3,054
Out-of-State Freshmen	5,544	6,357	5,460	5,625	5,964	6,930
Out-of-State Sophomores	5,544	6,357	4,368	5,460	5,625	5,964
Out-of-State Juniors	5,544	6,357	4,368	4,500	5,460	5,625
Out-of-State Seniors	5,544	6,357	4,368	4,500	4,772	5,460
Out-of-State Graduate	5,832	6,696	4,752	4,896	5,191	6,108
Undergraduate In-State Weighted Average	1,848	2,119	2,307	2,493	2,711	2,970

Table A - 5

ANNUAL TUITION RATES AT ILLINOIS PUBLIC UNIVERSITIES
BY STUDENT LEVEL
FY1993 - FY2003

	FY1993	FY1998	FY2000	FY2001	FY2002	FY2003
Southern Illinois University						
Carbondale						
Undergraduate	$ 2,250	$ 2,700	$ 2,865	$ 3,011	$ 3,102	$ 3,660
Graduate	1,800	2,160	2,604	2,905	3,134	3,696
Law	2,640	4,312	4,800	5,028	5,178	6,120
Medicine	8,742	11,272	15,042	15,168	16,683	18,351
Out-of-State Undergraduate	6,750	8,100	5,730	6,021	6,204	7,320
Out-of-State Graduate	5,400	6,480	5,208	5,810	6,269	7,392
Out-of-State Law	7,920	12,936	14,400	15,084	15,534	18,360
Out-of-State Medicine	26,226	33,816	45,126	45,504	50,048	55,054
Edwardsville						
Undergraduate	$ 1,726	$ 2,020	$ 2,143	$ 2,388	$ 2,574	$ 2,970
Graduate	1,849	2,164	2,420	2,560	2,712	3,000
Dental	3,990	6,500	8,450	9,590	10,530	11,800
Out-of-State Undergraduate	5,178.	6,060	4,286	4,776	5,148	5,940
Out-of-State Graduate	5,547	6,492	4,840	5,119	5,424	6,000
Out-of-State Dental	11,970	19,500	25,350	28,770	31,590	35,400
University of Illinois						
Chicago						
Lower Division	$ 2,262	$ 2,956	$ 3,138	$ 3,232	$ 3,330	$ 3,664
Upper Division	2,520	2,956	3,138	3,232	3,330	3,664
Graduate	3,018	3,534	3,750	3,864	3,980	4,378
Dental	4,304	7,866	10,584	10,902	11,230	12,354
Medicine (Fall 1998 & After)	6,190	11,588	16,294	16,664	17,164	18,880
Medicine (Continuing)	6,190	11,588	12,294	12,664	13,164	18,880
Pharmacy (Fall 1998 & After)	2,520	3,904	7,644	7,768	8,002	8,802
Pharmacy (Continuing)	2,520	3,904	4,144	4,268	4,396	8,802
Pharmacy (CCO)	3,362	5,100	5,412	5,574	5,742	6,316
Physical Therapy	-	-	-	-	7,500	8,250
Out-of-State Freshmen	6,456	8,868	9,414	9,696	9,990	10,992
Out-of-State Sophomores	6,456	8,868	9,414	9,696	9,990	10,992
Out-of-State Juniors	7,230	8,460	9,414	9,696	9,990	10,992
Out-of-State Seniors	7,230	8,460	9,414	9,696	9,990	10,992
Out-of-State Graduate	8,520	9,976	10,588	10,908	11,236	12,360
Out-of-State Dental	12,378	22,624	30,440	31,354	32,296	35,530
Out-of-State Medicine (Fall 1998 & After)	18,036	33,768	39,826	40,904	42,012	45,010
Out-of-State Medicine (Continuing)	18,036	33,768	35,826	36,904	38,012	45,010
Out-of-State Pharmacy (Fall 1998 & After)	7,230	9,566	13,654	13,958	14,106	15,517
Out-of-State Pharmacy (Continuing)	7,230	9,566	10,154	10,458	10,774	15,517
Out-of-State Pharmacy (CCO)	9,552	12,496	13,260	13,656	14,070	15,477
Out-of-State Physical Therapy	-	-	-	-	15,000	16,500
Tuition Surcharge (all new students Fall 2001)	-	-	-	-	500	1,000
Engineering Surcharge (all levels)	200	400	400	400	400	400
Business Administration Surcharge (graduate)	-	5,500	5,500	5,500	5,500	6,500
Nursing Surcharge (graduate)	-	1,000	3,000	3,000	3,000	3,000
Biomedical Visualization Surcharge (graduate)	-	-	2,000	3,000	3,000	3,000
Undergraduate In-State Weighted Average	2,434	3,006	3,183	3,277	3,483	4,153
Graduate In-State Weighted Average	3,045	4,083	4,324	4,446	4,631	5,407

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Table A - 5

ANNUAL TUITION RATES AT ILLINOIS PUBLIC UNIVERSITIES BY STUDENT LEVEL FY1993 - FY2003

	FY1993	FY1998	FY2000	FY2001	FY2002	FY2003
Springfield						
Undergraduate	$ 1,989	$ 2,633	$ 2,790	$ 2,873	$ 2,985	$ 3,285
Graduate	1,832	2,238	2,508	2,586	2,688	2,958
Out-of-State Undergraduate	5,967	7,898	8,370	8,618	8,955	9,855
Out-of-State Graduate	5,496	6,714	7,524	7,758	8,064	8,874
Urbana-Champaign						
Lower Division	$ 2,486	$ 3,308	$ 3,546	$ 3,724	$ 3,910	$ 4,302
Upper Division	2,746	3,308	3,546	3,724	3,910	4,302
Graduate	3,126	3,770	4,040	4,242	4,454	4,900
Law	4,166	6,538	8,024	8,926	9,372	10,310
Veterinary Medicine	5,550	7,730	8,282	8,696	9,130	10,044
Out-of-State Freshmen	6,738	9,924	10,638	11,172	11,730	12,906
Out-of-State Sophomores	6,738	9,924	10,638	11,172	11,730	12,906
Out-of-State Juniors	7,518	9,012	10,638	11,172	11,730	12,906
Out-of-State Seniors	7,518	9,012	10,638	11,172	11,730	12,906
Out-of-State Graduate	8,658	10,444	11,192	11,752	12,338	13,572
Out-of-State Law	11,778	16,610	18,814	20,256	21,270	23,398
Out of State Veterinary Medicine	15,930	20,870	22,360	23,478	24,650	27,116
Tuition Surcharge (all new students Fall 2001)	-	-	-	-	500	1,000
Engineering Surcharge (all levels)	250	500	576	576	576	576
Chemistry-Life Sciences Surcharge (all levels)	-	500	576	576	576	576
Fine Arts Surcharge (lower undergrad)	-	200	200	200	200	200
Fine Arts Surcharge (upper undergrad and graduate)	-	400	400	400	400	400
Business Administration Surcharge (graduate)	1,000	5,776	6,484	6,808	7,150	7,864
Library Science Surcharge (graduate)	-	500	500	500	500	500
Undergraduate In-State Weighted Average	2,705	3,488	3,726	3,896	4,182	4,917
Graduate In-State Weighted Average	3,240	4,407	4,507	4,683	5,044	5,982

[1] Fiscal year 2003 rates at GSU effective spring 2003

Note: Undergraduate tuition based on 30 semester hours. Graduate tuition based on 24 semester hours.

Source: IBHE Records

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Table A - 6

ILLINOIS MONETARY AWARD PROGRAM GRANTS
AWARD VALUE BY TYPE OF INSTITUTION STUDENT ATTENDS
FISCAL YEARS 1985 THROUGH 2004

(in millions of dollars)

Fiscal Year	Public Universities		Community Colleges		Public Total		Independent Colleges and Universities		Total
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total	
1985	31.5	28.7	12.2	11.1	43.7	39.8	66.0	60.2	109.7
1990	54.1	31.8	18.1	10.6	72.2	42.4	98.0	57.6	170.2
1991	65.2	35.7	19.7	10.8	84.9	46.5	97.5	53.5	182.4
1992	67.1	36.6	21.0	11.5	88.1	48.1	95.2	51.9	183.3
1993	79.0	39.3	22.4	11.1	101.4	50.5	99.5	49.5	200.9
1994	85.9	41.6	24.9	12.1	110.8	53.6	95.8	46.4	206.6
1995	94.3	39.3	30.4	12.7	124.7	52.0	115.0	48.0	239.7
1996	99.4	38.9	32.2	12.6	131.6	51.5	123.7	48.5	255.3
1997	105.3	40.0	32.2	12.2	137.5	52.2	125.8	47.8	263.3
1998	112.8	40.3	33.0	11.8	145.8	52.1	133.8 **	47.9	279.6
1999	116.4	38.0	36.1	11.8	152.5	49.7	154.2 **	50.3	306.7
2000 *	120.8	37.1	37.4	11.5	158.2	48.6	167.5 **	51.4	325.7
2001 *	128.1	36.8	41.0	11.8	169.1	48.5	179.4 **	51.5	348.5
2002 *	133.6	35.9	46.5	12.5	180.1	48.4	192.3 **	51.6	372.4
2003 ***	119.0	35.7	45.1	13.5	164.1	49.2	169.4 **	50.8	333.5
2004 ****	137.8	36.9	47.6	12.7	185.4	49.6	188.1 **	50.4	373.5

* Does not include less-than-half-time or summer school award values.

** Includes awards to students attending proprietary institutions.

*** Estimated. Does not include less-than-half-time or summer school award values.

**** Projected at the IBHE recommended funding level. Does not include less-than-half-time or summer school award values.

Source: Illinois Student Assistance Commission Data Books and Staff Estimates

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Table A - 7

ILLINOIS MONETARY AWARD PROGRAM GRANTS
NUMBER OF AWARDS BY TYPE OF INSTITUTION STUDENT ATTENDS
FISCAL YEARS 1985 THROUGH 2004

Fiscal Year	Public Universities		Community Colleges		Public Total		Independent Colleges and Universities		Total
	Awards	% of Total	Awards	% of Total	Awards	% of Total	Awards	% of Total	
1985	35,288	33.8	34,260	32.8	69,548	66.5	35,000	33.5	104,548
1990	36,651	33.3	36,978	33.6	73,629	66.9	36,461	33.1	110,090
1991	39,612	35.0	38,139	33.7	77,751	68.7	35,455	31.3	113,206
1992	40,999	35.7	38,090	33.2	79,089	68.9	35,666	31.1	114,755
1993	40,356	36.6	34,903	31.7	75,259	68.3	34,992	31.7	110,251
1994	44,386	36.0	42,316	34.4	86,702	70.4	36,439	29.6	123,141
1995	44,222	34.8	44,450	34.9	88,672	69.7	38,547	30.3	127,219
1996	44,297	34.1	45,243	34.8	89,540	68.9	40,443	31.1	129,983
1997	44,749	35.1	43,179	33.8	87,928	68.9	39,679	31.1	127,607
1998	45,378	35.7	41,095	32.3	86,473	68.1	40,566 **	31.9	127,039
1999	45,849	33.6	44,819	32.8	90,668	66.4	45,788 **	33.6	136,456
2000 *	44,280	32.4	44,688	32.7	88,968	65.1	47,729 **	34.9	136,697
2001 *	44,663	32.0	46,195	33.1	90,858	65.2	48,563 **	34.8	139,421
2002 *	44,094	31.3	48,481	34.4	92,575	65.8	48,169 **	34.2	140,744
2003 ***	39,445	30.7	46,845	36.4	86,290	67.1	42,319 **	32.9	128,609
2004 ****	39,842	31.0	46,274	36.0	86,116	67.0	42,384 **	33.0	128,500

* Does not include less-than-half-time or summer school students

** Includes students attending proprietary institutions

*** Estimated. Does not include less-than-half-time or summer school students

**** Projected at the IBHE recommended funding level. Does not include less-than-half-time or summer school students

Source: Illinois Student Assistance Commission Data Books and Staff Estimates

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Table A - 8
APPROPRIATIONS OF STATE TAX FUNDS FOR HIGHER EDUCATION OPERATING EXPENSES
FISCAL YEARS 1993, 2001, 2002, AND 2003

(in thousands of dollars)

	Fiscal Year 1993	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	FY2002-03 % Change
Alabama	$ 823,940	$ 1,088,446	$ 1,115,999	$ 1,148,152	2.9 %
Alaska	174,118	192,183	204,706	212,747	3.9
Arizona	608,935	892,621	884,175	907,227	2.6
Arkansas	407,501	636,907	625,112	625,987	0.1
California	5,054,996	8,954,535	9,473,522	9,590,129	1.2
Colorado	529,158	746,478	756,809	817,236	8.0
Connecticut	433,973	706,032	753,681	762,600	1.2
Delaware	122,469	185,840	186,398	192,889	3.5
Florida	1,461,341	2,833,242	2,725,210	2,916,595	7.0
Georgia	941,363	1,600,329	1,707,734	1,734,481	1.6
Hawaii	367,430	339,025	349,231	369,649	5.8
Idaho	190,593	294,651	323,340	305,337	(5.6)
Illinois	**1,731,010**	**2,715,843**	**2,904,184**	**2,787,048**	**(4.0)**
Indiana	896,603	1,283,197	1,321,191	1,326,682	0.4
Iowa	606,751	851,183	786,640	769,854	(2.1)
Kansas	468,030	683,084	712,923	712,027	(0.1)
Kentucky	609,659	1,001,625	1,063,668	1,094,599	2.9
Louisiana	575,681	880,064	997,813	1,055,455	5.8
Maine	172,152	228,917	239,002	242,082	1.3
Maryland	751,949	1,174,820	1,282,690	1,301,845	1.5
Massachusetts	650,187	1,077,226	1,017,564	989,019	(2.8)
Michigan	1,552,305	2,234,157	2,257,732	2,263,572	0.3
Minnesota	965,288	1,349,137	1,379,832	1,419,395	2.9
Mississippi	434,246	824,031	765,014	775,243	1.3
Missouri	590,505	1,027,548	974,646	875,070	(10.2)
Montana	123,228	141,688	149,838	146,034	(2.5)
Nebraska	353,847	532,247	521,316	520,691	(0.1)
Nevada	207,572	316,613	346,845	370,593	6.8
New Hampshire	74,026	100,666	107,573	111,135	3.3
New Jersey	1,229,727	1,664,194	1,751,643	1,791,323	2.3
New Mexico	364,895	568,295	611,175	620,718	1.6
New York	2,774,114	3,479,112	3,602,215	3,823,188	6.1
North Carolina	1,541,926	2,398,489	2,442,690	2,449,659	0.3
North Dakota	151,190	185,659	201,497	201,497	-
Ohio	1,378,612	2,182,367	2,084,535	2,112,609	1.3
Oklahoma	557,531	789,155	796,312	811,474	1.9
Oregon	485,482	691,212	679,831	604,330	(11.1)
Pennsylvania	1,425,993	2,005,364	2,011,695	2,011,110	(0.0)
Rhode Island	107,628	162,842	174,473	169,438	(2.9)
South Carolina	618,408	880,120	856,200	830,305	(3.0)
South Dakota	104,713	136,154	143,163	148,588	3.8
Tennessee	761,543	1,045,546	1,071,515	1,153,989	7.7
Texas	2,802,348	4,464,237	5,135,147	5,209,765	1.5
Utah	350,936	547,496	586,208	566,431	(3.4)
Vermont	54,089	67,753	71,354	75,455	5.7
Virginia	934,990	1,629,776	1,631,856	1,545,680	(5.3)
Washington	953,081	1,333,911	1,370,342	1,375,255	0.4
West Virginia	284,606	387,432	392,051	393,695	0.4
Wisconsin	902,988	1,170,122	1,194,852	1,220,788	2.2
Wyoming	122,152	153,821	161,917	189,786	17.2
United States Total	$ 39,785,808	$ 60,835,392	$ 62,905,059	$ 63,648,456	1.2 %

Sources: Grapevine

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Table A - 9

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS*

(in thousands of dollars)

BHE Priority FY03	BHE Priority FY04	Institution Priority FY03	Institution Priority FY04	Institution	Project	Recommendation	Cumulative	Explanation of Priority
1	1			Statewide	Capital Renewal (includes $10,000.0 Build Illinois Bond Funds)	$ 30,000.0	$ 30,000.0	These funds are used to maintain and protect existing facilities. This includes the last year of a five year, $50.0 million Illinois FIRST commitment through Build Illinois.
	2		1	Chicago State University	Primary Electrical Feeder Cable	1,000.0	31,000.0	This project provides emergency infrastructure improvements for the institution.
29	3	3	1	Eastern Illinois University	Electrical Distribution System Upgrade	4,217.1	35,217.1	This provide provides emergency infrastructure improvements for the institution. In fiscal year 2003, this project along with the chilled water loop project were IBHE's #29 priority. In fiscal year 2004, the chilled water loop project is IBHE's #22 priority.
5	4	1	2	Eastern Illinois University	Fine Arts Center Renovation and Expansion	1,500.0	36,717.1	Recommended funds will be used to purchase equipment to complete the project. Funds for planning, construction, and equipment were appropriated in fiscal years 2000, 2001, 2002 and 2003.
7	5	1	2	Chicago State University	Convocation Center	5,000.0	41,717.1	Recommended funds will be used to purchase equipment to complete the building. Prior appropriations and allocations total $31.4 million.
13	6	2	1	Southern Illinois University Edwardsville	Science Laboratory Building Renovation and Expansion	1,765.4	43,482.5	Initial planning funds were appropriated in fiscal year 1999. In fiscal year 2004, the institution reversed its fiscal year 2003 #1 and #2 priorities .
12	7	3	2	University of Illinois at Urbana-Champaign	Lincoln Hall Remodeling	52,000.0	95,482.5	IBHE priority list for fiscal year 2003 is followed.

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Table A - 9 (continued)

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS*

(in thousands of dollars)

BHE Priority		Institution Priority						
FY03	FY04	FY03	FY04	Institution	Project	Recommendation	Cumulative	Explanation of Priority
	8		2	Southern Illinois University Carbondale	Morris Library Renovation and Addition	$ 2,121.8	$ 97,604.3	Funds will be used to purchase equipment to complete the remodeling. In fiscal years 2002 and 2003, a total of $27.6 million was appropriated. Construction funds were the institution's #1 priority in fiscal year 2003 (IBHE #11) with the future need for equipment funds identified.
14	9	2	1	Triton College	Technology Building Rehabilitation	7,906.1	105,510.4	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
15	10	3	2	Joliet Junior College	Utilities Renovation	3,255.0	108,765.4	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
16	11	1	1	Illinois State University	Life Safety Improvements - Stevenson and Turner Halls	22,145.0	130,910.4	IBHE priority list for fiscal year 2003 is followed. This is the fifth year the project has been recommended by IBHE. It has advanced from #34 to #28 to #20 to #16 to #10 on the priority list.
17	12	3	3	Southern Illinois University Carbondale	Communications Building Renovation and Addition	4,896.4	135,806.8	IBHE priority list for fiscal year 2003 is followed.
19	13	5	3	Rock Valley College	Arts Instructional Center	15,233.9	151,040.7	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
	14	1	1	Western Illinois University	Performing Arts Center	22,500.0	173,540.7	Planning funds were recommended by IBHE at priority #20 in fiscal year 2003 and were appropriated.
21	15	1	1	Northern Illinois University	Stevens Building Renovation and Addition	1,485.6	175,026.3	IBHE priority list for fiscal year 2003 is followed. This project is the University's #1 priority. IBHE's priority list splits planning and construction. Funds for construction are IBHE's #25 priority.
22	16	6	4	Elgin Community College	Spartan Drive Extension	1,710.0	176,736.3	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.

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Table A - 9 (continued)

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS*

(in thousands of dollars)

BHE Priority		Institution Priority						
FY03	FY04	FY03	FY04	Institution	Project	Recommendation	Cumulative	Explanation of Priority
23	17	7	5	Parkland College	Student Services Center	11,214.1	187,950.4	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
25	18	9	6	William Rainey Harper College	Engineering and Technology Center Renovations	14,750.7	202,701.1	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
26	19	10	7	Rend Lake College	Art Program Addition	344.9	203,046.0	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
27	20	11	8	Lake Land College	Rural Development Technology Center	$ 5,430.7	$ 208,476.7	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
28	21	6	3	University of Illinois at Chicago	Roof and Window Replacement and Masonry Repairs	16,000.0	224,476.7	IBHE priority list for fiscal year 2003 is followed.
29	22	2	3	Eastern Illinois University	Chilled Water Loop Extension	1,542.1	226,018.8	IBHE priority list for fiscal year 2003 is followed.
30	23	12	9	College of DuPage	Instructional Center Noise Abatement	1,203.4	227,222.2	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
31	24	13	10	William Rainey Harper College	One Stop/Admissions and Student Life Center	29,881.1	257,103.3	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
32	25	1	1	Northern Illinois University	Stevens Building Renovation and Addition	15,417.4	272,520.7	IBHE priority list for fiscal year 2003 is followed. Planning funds for this project are priority #15.
33	26	2	1	Northeastern Illinois University	Education Building	2,697.6	275,218.3	IBHE priority list for fiscal year 2003 is followed. This project is the University's #1 (planning) and #2 (construction) priority. The IBHE fiscal year 2004 recommendation is for planning.
34	27	1	1	Governors State University	Campus Roadway and Sidewalk Renovation	1,902.9	277,121.2	IBHE priority list for fiscal year 2003 is followed.
35	28	14	11	Illinois Valley Community College	Community Instructional Center	11,761.1	288,882.3	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.

Table A - 9 (continued)

FISCAL YEAR 2004 PRIORITY LIST
HIGHER EDUCATION CAPITAL IMPROVEMENTS*

(in thousands of dollars)

BHE Priority		Institution Priority						
FY03	FY04	FY03	FY04	Institution	Project	Recommendation	Cumulative	Explanation of Priority
36	29	15	12	Lake Land College	Center for Technical Education	5,371.4	294,253.7	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
37	30	2	1	Illinois Mathematics and Science Academy	"A" Wing Laboratories Remodeling	3,000.0	297,253.7	IBHE priority list for fiscal year 2003 is followed.
38	31	16	13	College of Lake County	Student Services Building	32,248.5	329,502.2	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.
39	32	17	14	Heartland Community College	Workforce Development Center	12,279.4	341,781.6	Community College Board priorities for fiscal year 2004 and IBHE priorities for fiscal year 2003 are followed.

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* This list does not include funds for the Enhanced Construction Program for community colleges which the Board supports.

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Table A-10
CAPITAL APPROPRIATIONS BY TYPE FOR HIGHER EDUCATION INSTITUTIONS

($ thousands)

Fiscal Year	New Facilities (Construction, Acquisition, Funds to Complete)	Infrastructure Improvements (Remodeling, Utilities, Site Improvements)	TOTAL
1990	$ 101,194.7	$ 83,371.1	$ 184,565.8
	54.8%	45.2%	100.0%
1991	180,010.5	89,880.9	269,891.4
	66.7%	33.3%	100.0%
1992	6,824.4	45,923.7	52,748.1
	12.9%	87.1%	100.0%
1993	14,842.9	43,836.4	58,679.3
	25.3%	74.7%	100.0%
1994	42,681.2	100,010.1 **	142,691.3
	29.9%	70.1%	100.0%
1995	88,481.8	58,363.2	146,845.0
	60.3%	39.7%	100.0%
1996	50.0	0.0	50.0
	100.0%	0.0%	100.0%
1997	74,140.4	84,812.5	158,952.9
	46.6%	53.4%	100.0%
1998	51,971.4	96,171.9	148,143.3
	35.1%	64.9%	100.0%
1999	46,451.7	108,298.4	154,750.1
	30.0%	70.0%	100.0%
2000	242,161.4	76,145.0	318,306.4
	76.1%	23.9%	100.0%
2001	121,314.5	96,760.2	218,074.7
	55.6%	44.4%	100.0%
2002	290,696.0	121,676.9	412,372.9
	70.5%	29.5%	100.0%
2003	263,768.1	74,573.3	338,341.4
	78.0%	22.0%	100.0%

* Includes $46,189.6 appropriated to Capital Development Board for accessibility improvements

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